

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

Bill No. 10-10 As Amended

Introduced by: Council President Boniface at the request of the County Executive

Legislative Day No. 10-06 Date: February 16, 2010

1 AN ORDINANCE adopted pursuant to Sections 12-201 et seq. of the Economic Development Article of the
2 Annotated Code of Maryland (the "Tax Increment Financing Act") and Section 9-1301 of Article 24 of
3 the Annotated Code of Maryland (the "Special Taxing District Act", and collectively with the Tax
4 Increment Financing Act, the "Acts") providing for the designation of contiguous property in Harford
5 County, Maryland (the "County") as a development district for purposes of the Tax Increment
6 Financing Act (the "Development District"), and the designation of a property in the County as a
7 special taxing district for the purposes of the Special Taxing District Act (the "Special Taxing District"
8 and, collectively with the Development District, the "Districts"); creating certain special funds pursuant
9 to the Acts; providing for the deposit and use of moneys in such special funds; pledging that the County
10 will allocate and divide property taxes on real property within the Development District so that a
11 certain portion of the real property tax (the "Tax Increment") will be allocated and paid into one of the
12 special funds, and providing for the levy and collection of special taxes on property within the Special
13 Taxing District (the "Special Tax") to be deposited to the other special fund in the event proceeds of the
14 Tax Increment are or will be insufficient to pay debt service on bonds issued under the Acts;

By the Council, February 16, 2010

Introduced, read first time, ordered posted and public hearing scheduled

on: March 16, 2010

at: 6:00 P.M.

By order: Barbara J. O'Connor, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the
Charter, a public hearing was held on March 16, 2010, and concluded on March 16, 2010.

Barbara J. O'Connor Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING
LAW. [BRACKETS] indicate matter Deleted from existing
law. Underlining indicates Language added to bill by
amendment. Language Lined through indicates matter
stricken out of Bill By amendment.

COUNTY COUNCIL
OF
HARFORD COUNTY, MARYLAND

Bill No. 10-10

Introduced by: Council President Boniface at the request of the County Executive

Legislative Day No. 10-06 Date: February 16, 2010

1 levying and providing for the collection of the Special Tax pursuant to the Rate and Method identified
2 herein and for various matters relating thereto; authorizing and empowering the County to
3 issue up to \$14,000,000.00 of its special obligation bonds at a maximum net interest rate of 9%
4 per annum, after giving effect to any federal subsidy, in order to finance or reimburse the cost
5 of certain public improvements relating to the Districts and other costs permitted under the
6 Acts; providing that such bonds and the interest thereon shall never constitute a general
7 obligation of the County or a pledge of its full faith and credit; generally providing for the levy,
8 imposition, collection and application of such special tax and the issuance of bonds in
9 accordance with the Acts; and making certain legislative findings and providing for the
10 further specification, prescription, determination, provision for or approval of various other
11 matters, details, documents and procedures in connection therewith.

By the Council, February 16, 2010

Introduced, read first time, ordered posted and public hearing scheduled

on: March 16, 2010

at: 6:00 P.M.

By order: _____, Council Administrator

PUBLIC HEARING

Having been posted and notice of time and place of hearing and title of Bill having been published according to the
Charter, a public hearing was held on March 16, 2010, and concluded on March 16, 2010.

_____, Council Administrator

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING
LAW. [BRACKETS] indicate matter Deleted from existing
law. Underlining indicates Language added to bill by
amendment. Language Lined through indicates matter
stricken out of Bill By amendment.

RECITALS

Sections 12-201 *et seq.* of the Economic Development Article of the Annotated Code of Maryland (as amended from time to time, the "Tax Increment Financing Act"), authorize Harford County, Maryland (the "County") to establish a "development district" (as such term is used in the Tax Increment Financing Act) and a "special fund" (as such term is used in the Tax Increment Financing Act) into which the "tax increment" (as such term is used in the Tax Increment Financing Act) of properties located in the development district is deposited, and to issue bonds, the proceeds of which may be used only (i) to buy, lease, condemn, or otherwise acquire property, or an interest in property, in the development district or needed for a right-of-way or other easement to or from the development district; (ii) for site removal; (iii) for surveys and studies; (iv) to relocate businesses or residents; (v) to install utilities, construct parks and playgrounds, and for other needed improvements, including roads to, from or in the development district, parking, and lighting; (vi) to construct or rehabilitate buildings for a governmental purpose or use; (vii) for reserves or capitalized interest; (viii) for necessary costs to issue "bonds" (as such term is used in the Tax Increment Financing Act); and (ix) to pay the principal of and interest on loans, advances or indebtedness that a political subdivision incurs for any of the foregoing purposes.

The Tax Increment Financing Act provides that the bonds shall be payable from that portion of the taxes representing the levy on the tax increment deposited in the special fund, and that the County may also establish sinking funds and debt service reserve funds, and pledge other assets and revenues toward the payment of the bonds.

Section 9-1301 of Article 24 of the Annotated Code of Maryland (as amended from time to time, the "Special Taxing District Act" and, together with the Tax Increment Financing Act, the "Acts"), authorizes the County to create a "special taxing district" (as such term is used in the

1 Special Taxing District Act), to levy ad valorem or special taxes on all real and personal property
2 within the special taxing district, and to borrow money by issuing and selling its "bonds" (as such
3 term is used in the Special Taxing District Act) for the purpose of financing, refinancing or
4 reimbursing the "cost" (as such term is used in the Special Taxing District Act) of the design,
5 construction, establishment, extension, alteration or acquisition of adequate storm drainage systems,
6 sewers, water systems, roads, bridges, culverts, tunnels, streets, sidewalks, lighting, parking, parks
7 and recreation facilities, libraries, schools, transit facilities, solid waste facilities and other
8 infrastructure improvements as necessary, whether situated within the special taxing district or
9 outside of the special taxing district if the infrastructure improvement is reasonably related to other
10 infrastructure improvements within the special taxing district, for the development and utilization
11 of the land, each with respect to any defined geographic region within the County, and to pay such
12 bonds from the proceeds of ad valorem taxes or special taxes levied on real and personal property
13 located within the boundaries of the special taxing district and required to be deposited in a "special
14 fund" created pursuant to the Special Taxing District Act.

15 The bonds authorized to be issued by the Special Taxing District Act are special obligations
16 of the County payable from the ad valorem taxes or special taxes deposited in the special fund
17 created by the County, from sinking funds and debt service reserve funds established therefor, and
18 from other assets or revenues, if any, pledged by the County for that purpose.

19 Prior to issuing and selling bonds under the Special Taxing District Act, a request must be
20 made to the County by all of the owners of real property within the special taxing district.

21 Before issuing bonds for purposes allowed under the Special Taxing District Act, the
22 governing body of a county is required to designate by resolution a geographical area as a "special
23 taxing district", adopt a resolution creating the special fund with respect to the special taxing

district, to provide for the levy of an ad valorem tax or special tax on all real and personal property within the special taxing district, and to pledge that it will pay such ad valorem tax or special tax into the special fund.

Stepney Road Holding, LLC (the "Owner") is the current owner of all of the property identified by reference to the tax parcel and the metes and bounds description set forth on Exhibit A to this Ordinance and by the plat shown on Exhibit B to this Ordinance (collectively, the "Development District Property" or the "Property"). The Development District Property forms a contiguous area. The Owner is also the current owner of all of the property identified by reference to the tax parcel and the metes and bounds description set forth on Exhibit C to this Ordinance and by the plat shown on Exhibit D to this Ordinance (collectively, the "Special Taxing District Property"). The Special Taxing District Property is coincident with the Development District Property with the exception of a parcel described on Exhibit E to this Ordinance. The Property (a) is located entirely within the geographic boundaries of the County, (b) is in a designated growth area as defined in the County's Master Plan and Land Use Element Plan, (c) is not in any of the County's rural villages, and (d) is in a priority funding area.

Beechtree Properties, LLC (the "Developer"), which is the contract purchaser of the membership interests of the Owner, proposes to develop the Property as a master-planned premier residential development to include approximately 768 single-family and townhouse residences and an approximately 94-acre natural resource district on the Property (the "Project"). The development of the Project will require the provision of various public improvements including, without limitation, earthwork and other site preparation; construction of water and sewer lines, related appurtenances, and acquisition of easements therefor; construction and improvements of roads and acquisition of land therefor; construction and installation of storm water management

1 areas; construction and installation of storm drains; related grading, engineering and stakeout;
2 lighting; landscaping; identifying monuments; signage; traffic signals and traffic studies therefor;
3 sidewalks; certain impact fees and infrastructure tap fees; and such other buildings or equipment
4 to be owned by the County or other public improvements as the County and the Developer
5 mutually agree; all servicing or enabling development of the Project, such improvements and
6 related infrastructure to be located within and outside (but reasonably related to public
7 improvements within) the special taxing district, as applicable (collectively, the
8 "Improvements").

9 Prior to the introduction of this Ordinance, the Developer and the Owner have submitted to
10 the County Treasurer pursuant to the Special Taxing District Act a request entitled "Application to
11 Request the Creation of a Special Taxing District, the Levy of Special Taxes on the Property in
12 the Special Taxing District, and the Issuance of Special Obligation Bonds" (the "Request"). The
13 Owner, as a signatory to the Request, represents that it is, as of the date of the Request, the sole
14 owner of the real property located within the proposed boundaries of the special taxing district.
15 The Request (or applicable portions thereof) constitutes the request of the property owners
16 contemplated in Subsections (c)(6)(vi) and (d) of the Special Taxing District Act. The Developer
17 has also submitted a Letter of Intent dated December 11, 2009 to the County Treasurer (the
18 "Letter of Intent") in which Developer requested the County to create a Development District and
19 a Special Taxing District, and to authorize the issuance of the Bonds, all in connection with the
20 Project.

21 In the Request, the Owner and the Developer have asked the County (i) to establish a
22 special taxing district consisting of the entire Special Taxing District Property to be known as the
23 "Beechtree Estates Special Taxing District" (the "Special Taxing District") and to create a special

1 fund with respect to the Special Taxing District, (ii) to undertake to issue its bonds as special
2 obligations of the County under the authority of the Special Taxing District Act, in one or more
3 series, from time to time, in order to finance or reimburse all or a portion of the cost of the
4 Improvements, to the extent permitted under the Acts, and (iii) to levy, impose and collect special
5 taxes in accordance with the Special Taxing District Act on real and personal property located in
6 the Special Taxing District to the extent the tax increment received is insufficient to pay debt
7 service on the bonds, together with other associated costs and expenses as provided herein. The
8 portion of the cost of the Improvements that will not be paid from the proceeds of the special
9 obligation bonds issued by the County under the authority of the Special Taxing District Act will be
10 paid by the Developer.

11 Although not required by the Tax Increment Financing Act, pursuant to an Application for
12 Tax Increment Financing and/or Creation of Special Taxing District dated December 14, 2009,
13 the Developer has also asked the County to designate the entire Development District Property as a
14 development district to be known as the "Beechtree Estates Development District" (the
15 "Development District") pursuant to the Tax Increment Financing Act and to pledge the real
16 property taxes collected with respect to the tax increment to payment of the bonds to be issued by
17 the County under the combined authority of the Acts.

18 The County Council of Harford County, Maryland (the "County Council") following a
19 public hearing held prior to the enactment of this Ordinance pursuant to notice published in two
20 newspapers of general circulation in the County not less than 5 days and not more than 14 days
21 before such hearing, has determined that a need exists in the County for public improvements in
22 connection with the proposed development of the Property and that the development of the Property
23 and the Improvements will serve public purposes of providing public improvements within the

County, directly and indirectly enhancing the taxable base of the County, encouraging the development of residential areas, commerce and industry within the County, increasing the general health and welfare of the residents of the County and increasing employment within the County through the construction of the Project and the expected increased commercial activity within and outside the Districts (hereinafter defined) through the provision of the Improvements.

At the public hearing on this Ordinance, the County Council will consider, among other things, the following elements of the Project: (a) development design standards, (b) the use of transfer of development rights or other methods of achieving density of development; (c) design and usage of open space; and (d) availability and design of recreational and educational facilities.

Pursuant to the Acts, the County has determined to designate the Development District Property as a "development district" pursuant to the provisions of the Tax Increment Financing Act and the Special Taxing District Property as a geographically coincident (with the exception of the parcel described on Exhibit E to this Ordinance) "special taxing district" pursuant to the provisions of the Special Taxing District Act (collectively, the "Districts"). The County has further determined to create the separate special funds required by the Acts and to take certain other actions pursuant to the authority of the Acts.

Before issuing any bonds with respect to the Special Taxing District, the County is required by the Special Taxing District Act to provide for the levy of an ad valorem tax or a special tax on all real and personal property within the Special Taxing District and to pledge that it shall pay such ad valorem tax or special tax to the Special Taxes Fund for the payment of debt service on the bonds and other expenses and purposes permitted under the Special Taxing District Act. **The bonds shall not be an indebtedness of the County for which the County is obligated to levy or pledge, or has levied or pledged, ad valorem taxes or special taxes of the County other than the real**

property taxes representing the levy of the tax increment on properties located in the Development District or the Special Tax. The bonds shall be a special obligation of the County and will not constitute a general obligation debt of the County or a pledge of the County's full faith and credit or taxing power. The only funds the County will be obligated to use to make payment on the bonds and the cost of issuance will be those that result from real property taxes levied by the County on the tax increment on properties located in the Development District and, if such revenues are or will be insufficient, the Special Tax levied on and collected from property located in the Special Taxing District and any other moneys held under and as provided by the indenture pursuant to which the bonds were issued.

Pursuant to Section 12-204 of the Tax Increment Financing Act and Subsection (h) of the Special Taxing District Act, the County may implement its authority under such Acts to issue its bonds for the purpose of financing, refinancing or reimbursing the costs of public improvements benefiting the Districts and certain related costs authorized by the Acts, by passing an ordinance which, among other matters, specifies and describes the proposed undertaking and states that it has complied with certain conditions precedent to the issuance of the bonds, specifies the maximum principal amount of the bonds to be issued, and specifies the maximum rate of interest the bonds are to bear.

By enactment of this Ordinance, the County desires to provide for the issuance of its revenue bonds, notes or other similar instruments in one or more series from time to time in an aggregate principal amount not to exceed Fourteen Million Dollars (\$14,000,000) (collectively, the "Bonds") in order to finance initially or reimburse the cost (within the meaning of the Acts) of public improvements benefiting the Districts and related financing costs or costs of issuing the Bonds.

1 By enactment of this Ordinance, in order to provide for the payment of the principal of and
2 interest on the Bonds, the County desires to (i) pledge that that portion of the property taxes on real
3 property located within the Development District representing the levy on the Tax Increment shall
4 be paid into the Tax Increment Fund when collected and applied in accordance with this Ordinance
5 and Section 12-209 of the Tax Increment Financing Act and (ii) levy, impose and collect pursuant
6 to Subsection (f) of the Special Taxing District Act a special tax to be designated the "Beechtree
7 Estates Special Tax" (the "Special Tax") upon all real and personal property within the Special
8 Taxing District, unless otherwise provided by law or by the provisions hereof, for the purposes, to
9 the extent and in the manner herein provided, and to the extent that moneys on deposit in the Tax
10 Increment Fund or otherwise available for such purposes under any trust indenture for the Bonds
11 are insufficient (A) to cover debt service on the Bonds, (B) to replenish any debt service reserve
12 fund or (C) for any authorized purpose relating to the ongoing expenses of or security for the
13 Bonds, at a rate or rates and amount designed to provide adequate revenues at least sufficient in
14 each year in which any of the Bonds are outstanding to pay the principal of, interest on, and
15 redemption premium, if any, on the Bonds, to replenish any debt service reserve fund, and for any
16 other purpose relating to the ongoing expenses of or security for the Bonds, including (but not
17 limited to) those County expenses set forth in Section 9 hereof.

18 The Special Tax shall be imposed, levied and collected in the Special Taxing District each
19 fiscal year of the County, beginning with the fiscal year specified in the Rate and Method identified
20 herein, if necessary, in an amount to be determined in accordance with the Rate and Method.

21 The Special Tax shall be collected in the same manner and at the same time as regular ad
22 valorem taxes are collected within the Districts, and shall be discontinued when all of the Bonds

1 (including any Refunding Bonds) have been paid in full (either at their maturity or prior to maturity
2 by defeasance in full).

3 Prior to issuing any Bonds relating to the Districts, the County is required to enact this
4 Ordinance in order to comply with certain provisions of the Acts.

5 Pursuant to the Special Taxing District Act, except as may be required by the Maryland
6 Constitution, this Ordinance, any executive order adopted in furtherance of this Ordinance, the
7 designation and creation of the Special Taxing District, the imposition and levy of the Special Tax
8 and the issuance of the Bonds shall not be subject to any referendum by reason of any other State of
9 Maryland or local law. Pursuant to the Tax Increment Financing Act, neither this Ordinance nor
10 any executive order issued under Sections 12-203, 12-204, and 12-208(c) and (d) of the Tax
11 Increment Financing Act may be subject to referendum because of any other State of Maryland or
12 local law.

13 The County reasonably expects to make expenditures with respect to the public
14 improvements to be financed from proceeds of the Bonds, and to reimburse such expenditures from
15 proceeds of the Bonds.

16 The County desires that this Ordinance shall serve as a declaration of official intent within
17 the meaning of, and for the purposes set forth in, U.S. Treasury Regulation Section 1.150-2.

18 NOW, THEREFORE:

19 SECTION 1. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD
20 COUNTY, MARYLAND that: (a) the Recitals to this Ordinance (the "Recitals") are deemed a
21 substantive part of this Ordinance and are incorporated by reference herein.

1 (b) The terms defined in the Recitals hereto shall have the meanings therein set forth
2 (unless also defined in this Section 1) and, in addition, the following terms shall have the meanings
3 set forth below:

4 (i) "Adjusted Assessable Base" means the fair market value of the property,
5 that qualifies for a farm or agricultural use under Section 8-209 of the Tax-Property Article of the
6 Annotated Code of Maryland, without regard to the agricultural use assessment for the property as
7 of January 1 of the year preceding the effective date of this Ordinance (meaning January 1, 2009).

8 (ii) "Assessable Base" means the total assessable base, as determined by the
9 Supervisor of Assessments, of all real property subject to taxation in the Development District.

10 (iii) "Assessment Ratio" means a real property tax assessment ratio, however
11 designated or calculated, that is used under applicable general law to determine the Assessable
12 Base. "Assessment Ratio" includes the assessment percentage specified under Section 8-103(c) of
13 the Tax-Property Article of the Annotated Code of Maryland.

14 (iv) "Bonds" means any revenue bonds or bond, notes or note, or other similar
15 instruments or instrument issued by the County in accordance with the Acts to finance or reimburse
16 the cost of the Improvements or reasonably related to the Districts and other costs permitted by the
17 Acts.

18 (v) "Development District" means the contiguous area in the County described
19 on Exhibit A and Exhibit B to this Ordinance and designated in Section 3 of this Ordinance by
20 name as the "Beechtree Estates Development District" and as a development district under the Tax
21 Increment Financing Act.

22 (vi) "Districts" means the Development District and the Special Taxing District,
23 collectively.

(vii) "Indenture" means the indenture of trust (howsoever named) entered into by the County and the Trustee (hereinafter defined) in connection with the issuance of any of the Bonds or the Refunding Bonds (hereinafter defined), as amended, modified or supplemented from time to time.

(viii) "Original Assessable Base" means the Assessable Base as of January 1 of that year preceding the effective date of this Ordinance (meaning January 1, 2009).

(ix) "Original Full Cash Value" means the dollar amount that is determined by dividing the Original Assessable Base by the Assessment Ratio used to determine the Original Assessable Base.

(x) "Original Taxable Value" means, for any Tax Year (hereinafter defined), the dollar amount that is:

(A) the Adjusted Assessable Base, if an Adjusted Assessable Base applies; or

(B) in all other cases, the lesser of:

(1) the product of multiplying the Original Full Cash Value by the Assessment Ratio applicable to that Tax Year; and

(2) the Original Assessable Base.

(xi) "Refunding Bonds" means any revenue bonds or bond, notes or note, or other similar instruments or instrument issued in one or more series by the County from time to time to refund any of the Bonds and to pay other costs permitted by both of the Acts with respect to the Districts.

(xii) "Special Funds" means, collectively, the Tax Increment Fund and the Special Taxes Fund created pursuant to Sections 4 and 5 of this Ordinance, respectively.

(xiii) "Special Tax" means the special taxes, if any, which shall be levied by the County on the Special Taxing District Property pursuant to the Special Taxing District Act and this Ordinance.

(xiv) "Special Taxes Fund" means the "Beechtree Estates Special Taxes Fund" created pursuant to Section 5 of this Ordinance as a special fund in accordance with the Special Taxing District Act.

(xv) "Special Taxing District" means the area in the County described on Exhibit C and Exhibit D to this Ordinance and designated in Section 3 of this Ordinance by name as the "Beechtree Estates Special Taxing District" and as a special taxing district under the Special Taxing District Act.

(xvi) "Tax Increment" means, for any Tax Year, the amount by which the Assessable Base as of January 1 preceding such Tax Year exceeds the Original Taxable Value divided by the Assessment Ratio used to determine the Original Taxable Value.

(xvii) "Tax Increment Fund" means the "Beechtree Estates Tax Increment Fund" created pursuant to Section 4 of this Ordinance in accordance with the Tax Increment Financing Act.

(xviii) "Tax Year" means the period from July 1 of a calendar year through June 30 of the next calendar year.

(xix) "Trustee" means the bank, trust company or other banking association appointed from time to time to serve as the Trustee under the Indenture.

(c) References in this Ordinance (i) to certain provisions of the Annotated Code of Maryland shall be to such provisions, as replaced, supplemented or amended from time to time and (ii) to terms also defined in the Acts are to be construed in accordance with the provisions of the

1 respective Acts, and in the event of any inconsistency between such terms as used in this Ordinance
2 and such Acts, or either one of the Acts, the provisions of the Acts shall control.

3 SECTION 2. BE IT ENACTED BY THE COUNTY COUNCIL OF HARFORD
4 COUNTY, MARYLAND that (a) the creation of the Districts provided for herein as both a
5 development district and a special taxing district within the meanings of the respective Acts, and
6 the issuance by Harford County, Maryland (the "County") of Bonds pursuant to both of the Acts in
7 order to finance or reimburse costs and activities permitted by the Acts, will serve the public
8 purposes of providing public improvements within the County, directly and indirectly enhancing
9 the taxable base of the County, encouraging the development of residential areas, commerce and
10 industry within the County, increasing the general health and welfare of the residents of the
11 County and increasing employment within the County through the construction of the Project and
12 the expected increased commercial activity within and outside the Districts through the provision
13 of the Improvements.

14 (b) Beechtree Properties, LLC (the "Developer"), which is a private, for-profit entity,
15 has already undertaken or expressed a desire to undertake residential development within the
16 Districts. All of the property of Stepney Road Holding, LLC (the "Owner") within the Special
17 Taxing District may be subject to additional taxation in accordance with the Special Taxing District
18 Act.

19 (c) Any Bonds or Refunding Bonds issued pursuant to the Acts to finance or reimburse
20 the costs of public improvements within the Districts or outside the Districts but reasonably related
21 to improvements within the Districts, to the extent permitted by the Acts, shall be a special
22 obligation of the County and may not constitute a general obligation debt of the County or a pledge
23 of the County's full faith and credit or taxing power, and the County shall not be obligated to pay

1 debt service on such Bonds or Refunding Bonds and the cost of issuance, as applicable, except
2 from moneys deposited to the Special Funds identified herein and from moneys held under the
3 Indenture.

4 (d) The proposed Districts are (i) located wholly within the geographic boundaries of
5 the County, (ii) in a designated growth area as defined in the County's Master Plan and Land Use
6 Element Plan, (iii) not in any of the County's rural villages, and (iv) in a priority funding area.

7 (e) References in this Ordinance to "public improvements" and the "Improvements" are
8 intended to include the activities and costs that proceeds of Bonds may be applied to in accordance
9 with both of the Acts.

10 (f) The public improvements proposed to be initially financed or reimbursed from
11 Bond proceeds include, but are not limited to earthwork and other site preparation; construction
12 of water and sewer lines, related appurtenances, and acquisition of easements therefor;
13 construction and improvements of roads and acquisition of land therefor; construction and
14 installation of storm water management areas; construction and installation of storm drains;
15 related grading, engineering and stakeout; lighting; landscaping; identifying monuments;
16 signage; traffic signals and traffic studies therefor; sidewalks; certain impact fees and
17 infrastructure tap fees; and such other buildings or equipment to be owned by the County or other
18 public improvements as the County and the Developer mutually agree; all servicing or enabling
19 development of the Project, such improvements and related infrastructure to be located within
20 and outside (but reasonably related to public improvements within) the Districts, as applicable
21 (collectively, the "Improvements").

22 (g) The Improvements, in addition to providing general public benefits to the County
23 and its citizens, specifically benefit the properties located in the Districts by providing needed

1 infrastructure improvements for the use of the residents located or to be located on such
2 properties and their visitors and invitees and the general public.

3 (h) By the enactment of this Ordinance, the County shall take all necessary action
4 contemplated by the Tax Increment Financing Act to provide for the segregation and deposit in
5 the Tax Increment Fund of that portion of the taxes representing the levy of the Tax Increment on
6 properties located in the Development District.

7 (i) By the enactment of this Ordinance, the County shall comply with the provisions
8 of the Acts, including but not limited to Section 12-204 of the Tax Increment Financing Act and
9 Subsections (f) and (h) of the Special Taxing District Act, requiring certain actions to be
10 performed prior to the issuance of any Bonds.

11 SECTION 3. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF
12 HARFORD COUNTY, MARYLAND that the Development District Property is hereby
13 designated as the "Beechtree Estates Development District" pursuant to Section 12-203 of the Tax
14 Increment Financing Act. Such contiguous area is also referred to as the Development District for
15 purposes of this Ordinance and constitutes a "development district" within the meaning of and for
16 all purposes of the Tax Increment Financing Act. The Special Taxing District Property is hereby
17 designated as the "Beechtree Estates Special Taxing District" pursuant to Subsection (f) of the
18 Special Taxing District Act. Such area is also referred to as the Special Taxing District for
19 purposes of this Ordinance and constitutes a "special taxing district" within the meaning of and for
20 all purposes of the Special Taxing District Act. The Development District and the Special Taxing
21 District shall each consist of the Property (except, with respect to the Special Taxing District, for
22 the parcel described on Exhibit E to this Ordinance). It is intended by this designation that any
23 portion of the Property currently located in the Districts that is subsequently further subdivided,

combined, or transferred to another party shall continue to be within the Districts and subject to the provisions of the respective Acts, notwithstanding such subdivision, transfer or combination. No parcel within the Districts shall be merged or combined with a parcel outside the Districts unless and until the boundaries of the Districts are amended to include such property in accordance with the Acts.

SECTION 4. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND that (a) pursuant to Section 12-208 of the Tax Increment Financing Act, there is hereby created a "special fund" within the meaning of the Tax Increment Financing Act to be designated the "Beechtree Estates Tax Increment Fund" (the "Tax Increment Fund").

(b) The County Executive of the County (the "County Executive") or the Treasurer of the County (the "Treasurer") or their designees, on behalf of the County, following the effective date of this Ordinance, but before any Bonds are issued, is each hereby authorized and directed to obtain from the Supervisor of Assessments (i) a certification as to the amount of the Original Assessable Base, or if applicable the Adjusted Assessable Base, and (ii) the Assessment Ratio used in determining the Original Assessable Base.

(c) The County hereby pledges that beginning with the Tax Year following the effective date of this Ordinance and until the Bonds and any Refunding Bonds have been fully paid and the Indenture has been discharged in accordance with its terms, the property taxes on real property within the Development District shall be divided as follows:

(i) That portion of the taxes which would be produced at the current tax rate on the Original Taxable Value shall be paid into the funds of the County in the same manner as taxes by or for the County on all other property are paid; and

1 (ii) That portion of the taxes on the Tax Increment that normally would be paid
2 to the County shall be paid into the Tax Increment Fund to be applied in accordance with
3 the provisions of Section 6 of this Ordinance and Section 12-209 of the Tax Increment
4 Financing Act. This yield shall not be considered as county taxes for the purposes of any
5 constant yield tax limitation or State or local restriction.

6 (d) Any taxes allocated to the Tax Increment Fund in accordance with Section 12-
7 203(a)(3)(ii) of the Tax Increment Financing Act and subsection (c)(ii) above shall be deposited in
8 the Tax Increment Fund while this Ordinance remains in effect.

9 (e) The Treasurer or other appropriate fiscal officers of the County are hereby directed
10 and authorized to deposit or cause to be deposited in the Tax Increment Fund all taxes received by
11 the County for any Tax Year commencing after the effective date of this Ordinance that represent
12 the levy on the Tax Increment referred to in subsection (c)(ii) above.

13 (f) The County Executive, the Treasurer or their designees are hereby authorized to take
14 all necessary steps in order to establish and manage the Tax Increment Fund to be held by the
15 County. If the Indenture so provides, the Tax Increment Fund may be held and managed in
16 accordance with the provisions of the Indenture.

17 (g) If, during a time when no Bonds or Refunding Bonds are outstanding with respect to
18 the Districts, the Assessment Ratio mandated by Maryland law is increased from that which applied
19 in determining the Original Assessable Base, it is the intent and expectation of the County, to the
20 extent permitted by law, that a supplemental resolution or ordinance will be adopted by the County
21 Council for the purpose of assuring that additional funds are not deposited in the Tax Increment
22 Fund as a result of the change in Assessment Ratio as compared to the amount of funds that would

have been required to be deposited in the Tax Increment Fund if the Assessment Ratio had not been so increased.

SECTION 5. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND that (a) pursuant to Subsection (f)(1)(2) of the Special Taxing District Act, there is hereby created a "special fund" within the meaning of the Special Taxing District Act to be designated the "Beechtree Estates Special Taxes Fund" (the "Special Taxes Fund").

(b) The taxes derived from the levy of the Special Tax on real and personal property within the Special Taxing District, once such Special Tax is levied and collected, shall be paid over to the Special Taxes Fund pursuant to Subsection (f)(2)(ii) of the Special Taxing District Act and subsection (c) of this Section 5.

(c) Until the Bonds and any Refunding Bonds have been fully paid and the Indenture has been discharged in accordance with its terms, the County hereby pledges that it will pay all amounts collected by it from the Special Tax levied under the Special Taxing District Act and this Ordinance on real and personal property within the Special Taxing District into the Special Taxes Fund established pursuant to this Section 5. This pledge to pay such Special Tax derived from the Special Taxing District is intended to be in complete fulfillment of the condition precedent to the issuance of the Bonds and any Refunding Bonds contained in Subsection (f)(2)(i) of the Special Taxing District Act. The pledge to so pay such collected Special Tax shall be continuous and irrevocable so long as any Bonds or Refunding Bonds are outstanding.

(d) The Treasurer or other appropriate fiscal officers are hereby directed and authorized to deposit or cause to be deposited in such Special Taxes Fund all Special Tax received by the County in accordance with the provisions of this Ordinance and the Special Taxing District Act.

1 (e) The County Executive, the Treasurer and other appropriate officers and employees
2 of the County, to the extent applicable, are hereby authorized to take all necessary steps in order to
3 establish and manage the Special Taxes Fund to be held by the County. If the Indenture so
4 provides, the Special Taxes Fund may be held and managed in accordance with the provisions of
5 the Indenture.

6 (f) Monies in the Special Taxes Fund may only be used to pay for the principal of,
7 interest on, and redemption premium, if any, on the Bonds, replenishment of any debt service
8 reserve established under the Indenture, and for any other purpose related to the ongoing expenses
9 of or security for the Bonds.

10 SECTION 6. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF
11 HARFORD COUNTY, MARYLAND that (a) if no Bonds or Refunding Bonds are outstanding
12 with respect to the Districts and the governing body of the County so determines, moneys in the
13 Tax Increment Fund may be:

14 (i) used for any other purposes described in Section 12-207 of the Tax
15 Increment Financing Act;

16 (ii) accumulated to pay debt service on Bonds to be issued later;

17 (iii) used for payment or reimbursement of debt service, or payments
18 under an agreement described in Section 12-209(b) of the Tax Increment Financing Act,
19 that the County is obligated under a general or limited obligation to pay or has paid on
20 bonds issued by the State of Maryland or a political subdivision the proceeds of which have
21 been used for any of the purposes specified in Section 12-207 of the Tax Increment
22 Financing Act; or

23 (iv) paid to the County for any other legal purpose.

(b) As long as any Bonds are outstanding with respect to the Districts and the governing body of the County so determines, moneys in the Tax Increment Fund may be used as provided ~~in subsection (a)~~ in subsections (i), (ii), (iii) and (iv) of subsection (a) of this Section 6 in any fiscal year of the County as determined by the governing body of the County, but only to the extent that:

(i) the amount in the Tax Increment Fund exceeds the unpaid debt service payable on such Bonds in such fiscal year and is not restricted so as to prohibit the use of such moneys; and

(ii) such use is not prohibited by the ordinance authorizing the issuance of the applicable bonds, by the Indenture or by any other resolution adopted or ordinance enacted by the Council.

SECTION 7. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND that when no Bonds or Refunding Bonds are outstanding with respect to the Districts, and the governing body of the County so determines, moneys in the Special Taxes Fund may be paid to the General Fund of the County; otherwise, moneys in the Special Taxes Fund shall be used and applied solely as permitted under the Special Taxing District Act.

SECTION 8. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND that (a) there is hereby levied and imposed pursuant to the Special Taxing District Act a special tax (the "Special Tax") upon all real and personal property within the Special Taxing District, unless exempted by law or by the provisions of the "Harford County, Maryland Beechtree Estates Special Taxing District Rate and Method of Apportionment of Special Taxes" attached hereto as Exhibit F and incorporated by reference herein as though set

1 forth in full herein (the "Rate and Method"), in an amount equal to the Maximum Special Tax (as
2 defined in the Rate and Method) provided for in the Rate and Method (subject to increase in each
3 tax year as specified in the Rate and Method), which Maximum Special Tax is hereby levied and
4 imposed upon and allocated among the Parcels of Taxable Property (as defined in the Rate and
5 Method) located in the Special Taxing District in accordance with the Rate and Method;
6 provided that, the Maximum Special Tax may be reduced by the County Executive in accordance
7 with the Rate and Method when any Bonds are issued in order to reflect the actual rate or rates of
8 interest on such Bonds, the amount of Bonds actually issued and any corresponding reduction in
9 debt service. The Special Tax is hereby levied and imposed to the extent and in the manner
10 provided in the Rate and Method, through the application of the procedures provided for in the
11 Rate and Method. The Special Tax shall take effect and terminate as provided in the Rate and
12 Method. The Maximum Special Tax is designed to provide adequate revenues to pay the
13 principal of, interest on and redemption premium, if any, on the Bonds, to replenish any debt
14 service reserve fund, and for any other purpose related to the ongoing expenses of or security for
15 the Bonds, including (but not limited to) those County expenses set forth in Section 9 hereof.
16 The County hereby covenants that the Special Tax shall be collected in accordance with the Rate
17 and Method at a rate and amount at least sufficient in each year in which any of the Bonds are
18 outstanding to provide, if necessary, for the payment of the principal of, interest on and any
19 redemption premium on the Bonds, to replenish any debt service reserve fund, to make any other
20 required payments and to provide for ongoing expenses of or security for the Bonds, including
21 (but not limited to) those County expenses set forth in Section 9 hereof, all in accordance with
22 the Rate and Method; provided that, any amounts on deposit in the Tax Increment Fund or
23 available from other sources (including interest earnings) shall be credited against the Special

Tax to be collected in each year in accordance with the Rate and Method. The Council hereby authorizes and directs the County Executive, on behalf of the County, to determine the amount of the Special Tax to be collected from each Parcel of Taxable Property in each year in accordance with the procedures set forth in the Rate and Method, which amount to be collected may be in an amount less than that portion of the Maximum Special Tax allocable to each such Parcel in accordance with the Rate and Method, but may not exceed the portion of the Maximum Special Tax allocated to each such Parcel pursuant to the Rate and Method. The Special Tax also may be levied with respect to any Refunding Bonds issued under the Special Taxing District Act (and any other authorizing law, if applicable) pursuant to the provisions of an ordinance or resolution enacted or adopted by the County in connection with the issuance of such Refunding Bonds.

(b) Attached hereto as Exhibit G and incorporated by reference herein as though set forth herein in full is the "Beechtree Estates Special Taxing District Harford County, Maryland, Special Tax Report" (the "Report"), prepared by MuniCap, Inc. for the benefit of the County, which Report documents the methodology utilized in apportioning the Special Tax among property owners within the Special Taxing District and, ~~based on, and in reliance upon, the Report the Council finds that the methodology is reasonable and results in fairly allocating the costs of the Improvements as required by the Special Taxing District Act.~~

The Special Tax shall be collected in the same manner and at the same time as regular ad valorem taxes are collected within the Districts, and shall be discontinued when all of the Bonds (including any Refunding Bonds) have been paid in full (either at their maturity or prior to maturity by defeasance in full).

(c) Attached hereto as Exhibit H and incorporated by reference herein as though set forth herein in full is the "Harford County Fiscal Report Analysis", prepared by MuniCap, Inc. for the benefit of the County.

SECTION 9. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND that, the Special Tax shall be levied pursuant to the Rate and Method in an amount sufficient to also pay County's expenses, which, for purposes of this Section, shall include the fees and expenses of any fiscal agent or trustee employed by the County; the expenses of the County in carrying out its duties under any Indenture including, but not limited to, levying and collecting the Special Tax and complying with arbitrage rebate requirements and obligated persons disclosure requirements associated with applicable federal and state securities law, including the costs of any employees of the County and fees of any professionals retained by the County to provide services for such purposes; any unpaid costs or expenses of the County relating to the acquisition by the County of the Improvements to be financed with proceeds of the Bonds which the County is entitled to have paid pursuant to a funding agreement with the Developer (the "Funding Agreement"); any unpaid cost or expense incurred in connection with the defense by the County of any claim, demand, suit or cause of action against or involving the County in connection with the issuance of the Bonds, the establishment of the Special Taxing District, the levy of the Special Tax or any other matters related thereto; and all other costs and expenses of the County incurred in connection with the discharge of its duties under any Indenture, including legal expenses associated with such duties, and in any way related to the administration of the Special Taxing District. Such amount of the Special Tax required to be levied in any fiscal year to provide for the payment of County expenses may be reduced to the extent that amounts are held under the Indenture or amounts are

1 otherwise made available to the County, and such amounts are available for the payment of
2 County expenses in such fiscal year. In addition, any public notice advertising or other costs
3 related to these proceedings shall also be paid by the Developer.

4 SECTION 10. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF
5 HARFORD COUNTY, MARYLAND that, the Funding Agreement shall contain a requirement
6 that the Developer comply with the provisions of Section 10-706 of the Real Property Article with
7 respect to the contracts of sale for the Property.

8 SECTION 11. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF
9 HARFORD COUNTY, MARYLAND that, as provided in Section (h)(4) of the Special Taxing
10 District Act, amounts on deposit in the Special Tax Fund and any sinking fund established by the
11 County to provide for the payment of the principal or interest on any Bonds may not be invested,
12 except in the manner prescribed by Article 31, §§6 and 7 of the Annotated Code of Maryland.
13 The proceeds of the sale of any Bonds shall be invested, pending the expenditure thereof, as
14 prescribed under the provisions of Article 95, §22 of the Annotated Code of Maryland.

15 SECTION 12. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF
16 HARFORD COUNTY, MARYLAND that, as provided in Section (c)(6)(v) of the Special
17 Taxing District Act, the Indenture shall require that adequate debt service reserve funds be
18 maintained with respect to outstanding Bonds and Refunding Bonds.

19 SECTION 13. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF
20 HARFORD COUNTY, MARYLAND that the issuance and sale by the County of the Bonds, from
21 time to time, in one or more series, in an aggregate principal amount not to exceed Fourteen Million
22 Dollars (\$14,000,000), and bearing interest at the maximum net rate of interest not to exceed Nine
23 Percent (9%) per annum after giving effect to any federal subsidy, all as may be determined

pursuant to this Ordinance, is hereby authorized and approved. The Bonds are authorized hereby to be executed by the manual or facsimile signatures of the County Executive and the Treasurer and the seal of the County shall be affixed to the Bonds and attested by the Director of Administration of the County (the "Director of Administration"). Any series of Bonds shall mature not later than thirty (30) years from the date of issuance. **The Bonds shall not be an indebtedness of the County for which the County is obligated to levy or pledge, or has levied or pledged, ad valorem taxes or special taxes of the County other than the real property taxes representing the levy of the Tax Increment on properties located in the Development District or the Special Tax. The Bonds shall be a special obligation of the County and will not constitute a general obligation debt of the County or a pledge of the County's full faith and credit or taxing power. The only funds the County will be obligated to use to make payment on the Bonds will be those that result from real property taxes levied by the County on the Tax Increment on properties located in the Development District and, if such revenues are or will be insufficient, the Special Tax levied on and collected from property located in the Special Taxing District and any other moneys held under and as provided by the Indenture.**

SECTION 14. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND that prior to the sale, issuance and delivery of any series of the Bonds, the County Executive, by executive order, is hereby authorized, empowered and directed to specify, prescribe, determine, provide for, or approve, for the purposes and within the limitations of the Acts and this Ordinance, all matters, details, forms, documents, and procedures pertaining to the sale, security, issuance, delivery, and payment of or for such Bonds, including, without limitation, the following (references in the following clauses (a) – (r) to the Bonds are deemed to refer to any series of the Bonds):

- 1 (a) The actual principal amount of the Bonds to be issued;
- 2 (b) The actual rate or rates of interest for the Bonds;
- 3 (c) The manner in which and the terms upon which the Bonds are to be sold;
- 4 (d) The manner in which and the times and places that the interest on the Bonds
- 5 is to be paid;
- 6 (e) The time or times that the Bonds may be executed, issued and delivered;
- 7 (f) The form and tenor of the Bonds and the denominations in which the Bonds
- 8 may be issued;
- 9 (g) The manner in which and the times and places that the principal of the
- 10 Bonds is to paid, within the limitations set forth in the Acts and this Ordinance;
- 11 (h) Provisions pursuant to which any or all of the Bonds may be called for
- 12 redemption prior to their stated maturity dates;
- 13 (i) Provisions for obtaining insurance for the Bonds or for the issuance of a
- 14 guaranty, letter or credit, line of credit, or similar credit support for the Bonds;
- 15 (j) The form and contents of, and provisions for the execution and delivery of,
- 16 such financing or other documents that are not otherwise specifically identified in this Ordinance,
- 17 and any amendments, modifications or supplements hereto, as the County Executive shall deem
- 18 necessary or desirable to evidence, secure or effectuate the issuance, sale and delivery of the Bonds,
- 19 including, without limitation, any trust indenture or trust agreement, any funding or similar
- 20 agreement, any bond purchase agreement, agreements with consultants to or agents of the County
- 21 with respect to the Districts or the Bonds, fee agreements, funding agreements, investment
- 22 agreements, security agreements, assignments, guarantees, financing agreements or escrow
- 23 agreements;

1 (k) The creation of security for the Bonds and provision for the administration
2 of the Bonds including, without limitation, the appointment of such trustees, escrow agents, fiscal
3 agents, administrators of the Districts, paying agents, registrars, rebate monitors or other agents as
4 the County Executive shall deem necessary or desirable to effectuate the transactions authorized
5 hereby;

6 (l) Provisions for the preparation and distribution of both a preliminary and a
7 final official statement, placement memorandum, offering circular or other disclosure document in
8 connection with the sale of the Bonds, if such preliminary official statement and final official
9 statement, placement memorandum, offering circular or other disclosure document is determined to
10 be necessary or desirable for the sale of the Bonds;

11 (m) The determination of the manner of sale of the Bonds, which may be either
12 at public or private negotiated or competitive sale, the identity of the underwriter or placement
13 agent for the Bonds, if any, or the purchaser or purchasers of the Bonds, and the form and contents
14 of, and provisions for the execution and delivery of, any contract or contracts for the purchase and
15 sale of the Bonds (or any portion thereof);

16 (n) To the extent that other obligated persons with respect to the Bonds have not
17 assured compliance with, or to the extent that the offering of the Bonds is not exempt from the
18 requirements of, Rule 15c2-12 of the United States Securities and Exchange Commission, the
19 determination of the form and contents of any written agreement or contract required by law or to
20 the extent the same is determined to be necessary or desirable even if not required by law, for the
21 benefit of the holders of the Bonds under which agreement or contract the County will undertake to
22 provide annual financial information, audited financial statements, material events notices, and
23 other information to the extent required by such Rule or such agreement or contract;

1 (o) The negotiation, preparation, execution and delivery of any development
2 agreements or use agreements with the owner of any portion of the property located within the
3 Districts and/or its developer, contractors or agents regarding the use and application of proceeds of
4 the Bonds or the use or ownership of properties located within the Districts or outside the Districts
5 if benefited by the Improvements and any agreements necessary or desirable to provide the transfer
6 of ownership of the Improvements of the County or any other governmental agency or public entity
7 if required by the County Executive or in order to ensure that the interest payable on any such
8 Bonds shall remain exempt from gross income for federal income tax purposes, if applicable.

9 (p) The specific Improvements to be financed, reimbursed or refinanced from
10 proceeds of the Bonds or the mechanics for determining the same;

11 (q) Any matters contemplated by the Acts relating to application of the proceeds
12 of the Bonds, including, without limitation, the establishment and application of sinking funds and
13 reserve funds and provision for any payment of capitalized interest on the Bonds; and

14 (r) The determination of, or the provision for, such other matters in connection
15 with the authorization, issuance, execution, sale, delivery, and payment of the Bonds, the security
16 for the Bonds, and the consummation of the transactions contemplated by this Ordinance as may be
17 deemed appropriate by the County Executive, including, without limitation, establishing procedures
18 for the execution, acknowledgement, sealing and delivery of such other and further agreements,
19 documents and instruments, and the authorization of the officials of the County to take any and all
20 actions, as are or may be necessary or appropriate to consummate the transactions contemplated by
21 this Ordinance in accordance with the Acts and this Ordinance.

22 The County Executive's execution and delivery of any such executive order shall constitute
23 conclusive evidence of the County Executive's approval of the subject matter thereof.

SECTION 15. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND that the County Executive, on behalf of the County, by an executive order contemplated in Section 14 hereof, is hereby authorized to condition the issuance of any series of the Bonds upon the execution, delivery and recording, as applicable, by the County, any of then-current owner of property located in the Districts, the developer of property within the Districts or other appropriate parties of any declaration of covenants, any notice to subsequent property owners within the Districts, any notification to a governmental unit having jurisdiction over any Improvements located outside the County, or any other similar documents, instruments or certificates reasonably related to the transactions contemplated by this Ordinance. The County Executive, on behalf of the County, is hereby authorized and empowered to prepare or cause to be prepared, negotiate or cause to be negotiated and execute and deliver any such documents, instruments or certificates to which the County is a party, and the same shall contain such terms, agreements and conditions and be in such form as the County Executive may approve, and the execution and delivery of the same by the County Executive shall constitute conclusive evidence of the County Executive's approval thereof.

SECTION 16. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND that (a) the County covenants with the registered owners of any such series of the Bonds that it will not make, or (to the extent that it exercises control or direction) permit to be made, any use of the proceeds of the applicable series of Bonds or of any monies, securities or other obligations to the credit of any account of the County which may be deemed to be proceeds of such series of the Bonds pursuant to the Internal Revenue Code of 1986, as amended (the "Code"), or the income tax regulations thereunder (the "Regulations") (collectively, the "Bond Proceeds") that would cause the Bonds of such series to be "arbitrage

bonds” within the meaning of the Code and the Regulations, and that it will comply with those provisions of the Code and the Regulations as may be applicable to the Bonds of such series on their date of issuance and which may subsequently lawfully be made applicable to the Bonds of such series as long as any applicable Bond remains outstanding and unpaid.

(b) The County specifically covenants that it will comply with the provisions of the Code and the Regulations applicable to any such series of the Bonds, including, without limitation, compliance with provisions regarding the timing of the expenditure of the proceeds of the Bonds, the use of such proceeds and the facilities refinanced with such proceeds, the restriction of investment yields, the filing of information with the Internal Revenue Service, and the rebate of certain earnings resulting from the investment of the proceeds of the Bonds or payments in lieu thereof. The County further covenants that it shall make such use of the proceeds of the Bonds of such series, regulate the investment of the proceeds thereof and take such other and further actions as may be required to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds of such series. All officials, officers, employees and agents of the County are hereby authorized and directed to provide such certifications of facts and estimates regarding the amount and use of the proceeds of the Bonds of such series as may be necessary or appropriate.

(c) The provisions of this Section 16 shall apply only to any series of Bonds that is issued with the expectation that interest on the Bonds of such series shall be excludable from gross income for purposes of federal income taxation and any series of Bonds issued as “tax credit” bonds.

SECTION 17. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND that the County Executive, the Director of Administration, the Treasurer, and all other appropriate officers and employees of the County, acting individually

or in concert as appropriate (in any such case the "Authorized Representative"), and provided that such actions are within the bounds of their authority, are authorized and directed to take any and all actions and to execute, attest, affix the County's seal to and deliver, and to file and record in any appropriate public offices (if applicable) all documents, instruments, certifications, forms (including but not limited to, appropriate IRS forms in respect to the Bonds), financing statements, letters of instructions, written requests, contracts, agreements and other papers customarily delivered in connection with the issuance of obligations in the nature of the Bonds (including the Letter of Intent) , whether or not herein mentioned and not otherwise provided for herein, as may be necessary or convenient to evidence the approvals of the County provided in this Ordinance, to invest the proceeds of the Bonds or moneys on deposit in the Tax Increment Fund or the Special Taxes Fund (in all such cases, in accordance with the provisions of applicable Maryland and federal law), to facilitate the issuance of any series of the Bonds and to consummate the transactions contemplated in this Ordinance or in any of the documents herein authorized and approved.

SECTION 18. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND that the provisions of this Ordinance shall be liberally construed in order to effectuate and carry out the purposes of and the activities authorized by the Acts and the matters contemplated by this Ordinance.

SECTION 19. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND that the provisions of this Ordinance are severable, and if any provision, sentence, clause, section or part hereof is held or determined to be illegal, invalid, unconstitutional or inapplicable to any person or circumstance, such illegality, invalidity, unconstitutionality or inapplicability shall not affect or impair any of the remaining provisions,

sentences, clauses, sections or parts of this Ordinance or their application to other persons or circumstances. It is hereby declared to be the intent of the County that this Ordinance would have been adopted if such illegal, invalid, unconstitutional or inapplicable provision, sentence, clause, section or part had not been included herein, and if the person or circumstances to which this Ordinance or any part hereof are inapplicable had been specifically exempted herefrom.

SECTION 20. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND that this Act shall take effect sixty (60) calendar days from the date it becomes law. In the event that no Bonds are issued pursuant to the Acts within ~~two years of the effective date of this Ordinance~~, one year of the effective date of this Ordinance, unless extended for an additional year by a Resolution of the County Council, this Ordinance shall expire and shall be of no further force and effect. The Council may extend the effectiveness of this Ordinance prior to its expiration by enacting another ordinance.

SECTION 21. BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND that the County reasonably expects that a portion of the costs of the Improvements will be paid by or behalf of the Developer prior to the issuance of the Bonds and that certain proceeds of the Bonds will be used to reimburse those costs incurred and paid by or on behalf of the Developer prior to the issuance of the Bonds.

SECTION 22: BE IT FURTHER ENACTED BY THE COUNTY COUNCIL OF HARFORD COUNTY, MARYLAND that the County intends that the adoption of this Ordinance shall be and constitute an "official intent resolution" within the meaning of the U.S. Treasury Regulation Section 1.150-2.

EFFECTIVE: May 21, 2010

The Council Administrator of the Council does hereby certify that fifteen (15) copies of this Bill are immediately available for distribution to the public and the press.

**BILL NO. 10-10
As Amended**

HARFORD COUNTY BILL NO. 10-10 As Amended

Brief Title Tax Increment Financing/Special Taxing District-Beechtree Estates

is herewith submitted to the County Council of Harford County for enrollment as being the text as finally passed.

CERTIFIED TRUE AND CORRECT

Barbara J. O'Connor
Council Administrator

Date March 16, 2010

ENROLLED

Billy Bonfante
Council President

Date March 16, 2010

BY THE COUNCIL

Read the third time.

Passed: LSD 10-8

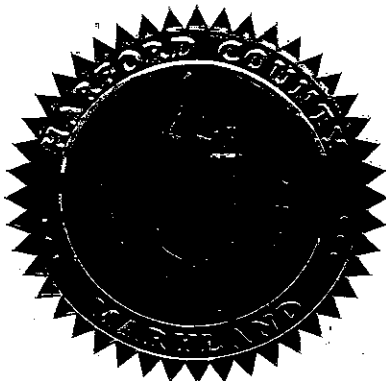
Failed of Passage: _____

By Order

Barbara J. O'Connor
Council Administrator

Sealed with the County Seal and presented to the County Executive for approval this 17th day of March, 2010 at 3:00 p.m.

Barbara J. O'Connor
Council Administrator



BY THE EXECUTIVE

David R. Craig
COUNTY EXECUTIVE

APPROVED: Date March 22, 2010

BY THE COUNCIL

This Bill No. 10-10 As Amended having been approved by the Executive and returned to the Council, becomes law on March 22, 2010.

EFFECTIVE DATE: May 21, 2010

Barbara J. O'Connor / mkH
Barbara J. O'Connor
Council Administrator

**BILL NO. 10-10
As Amended**

BILL NO. 10-10
As Amended

Barbara J. O'Connor

Council Administrator

1
2
3
4

BILL NO. 10-10
As Amended

Exhibit A

(Metes and Bounds and Tax Parcel Identification Number of the Development District Property)

DESCRIPTION	PARCEL NUMBER	PROPERTY NO. / TAX ACCOUNT
An approximately 304.307 acre parcel of land more particularly described in Exhibit A hereto and commonly known as: 612 S. Stepney Road Aberdeen, MD 21001 Harford County	Map 58, Parcel 59	02-082594

[Exhibit A continues on following page]

MORRIS & RITCHIE ASSOCIATES, INC.

ENGINEERS, ARCHITECTS, PLANNERS, SURVEYORS,
AND LANDSCAPE ARCHITECTS



February 1, 2010

304.307 Acre Parcel of Land, Located on the East Side of Stepney Road, on the North and South Sides of Relocated Maryland Route 7, and on the North Side of Old Maryland Route 7, Second Election District, Harford County, Maryland.

BEGINNING for the same at a point on the easterly side of Stepney Road at a point at the southeast corner of a Road Improvement Right of Way as shown on a plat entitled "Right of Way Plat, Seward Property Golf Course at Stepney Road" and recorded among the Land Records of Harford County, Maryland in DPW Plat Book 5, Folio 02, said point also being in and distant 6.50 feet from a pipe heretofore set at the beginning of the twenty-eighth or North 60 degrees 27 minutes 40 seconds West 39.69 feet line of a confirmatory deed from Paul H. Seward and Beata May Seward, his wife to Stepney Road Holding Limited Partnership, dated July 17, 1989 and recorded among the said Land Records in Liber 1567, Folio 0557, thence leaving the said twenty-eighth line, running through and across the land described in the said deed, and binding on the easterly right of way line of Stepney Road as shown on the said DPW Plat and on DPW Plat Book 5, Folios 03 and 04, sixteen courses, viz

1. North 08° 35' 07" East 111.86 feet,
2. North 07° 33' 41" East 289.96 feet to a point of curvature,
3. By a tangent curve to the left with a radius of 1130.00 feet and an arc length of 82.21 feet, said curve being subtended by a chord bearing North 05° 28' 38" East 82.19 feet, to a point of tangency,
4. North 03° 23' 35" East 357.50 feet to a point of curvature,
5. By a tangent curve to the right with a radius of 970.00 feet and an arc length of 165.30 feet, said curve being subtended by a chord bearing North 08° 16' 30" East 165.10 feet, to a point of tangency,
6. North 13° 09' 26" East 677.09 feet to a point of curvature,
7. By a tangent curve to the left with a radius of 4530.00 feet and an arc length of 536.51 feet, said curve being subtended by a chord bearing North 09° 45' 51" East 536.20 feet, to a point of tangency,
8. North 06° 22' 17" East 159.05 feet to a point of curvature,
9. By a tangent curve to the right with a radius of 3970.00 feet and an arc length of 221.98 feet, said curve being subtended by a chord bearing North 07° 58' 24" East 221.95 feet, to a point of tangency.

District Description
February 1, 2010
Page 2

10. North 09° 34' 30" East 504.96 feet to a point of curvature,
11. By a tangent curve to the right with a radius of 2110.00 feet and an arc length of 445.47 feet, said curve being subtended by a chord bearing North 15° 37' 24" East 444.64 feet, to a point of tangency,
12. North 21° 40' 17" East 339.88 feet to a point of curvature,
13. By a tangent to the right with a radius of 1550.00 feet and an arc length of 251.24 feet, said curve being subtended by a chord bearing North 26° 18' 54" East 250.97 feet, to a point of tangency,
14. North 30° 57' 31" East 936.58 feet to a point of curvature,
15. By a tangent curve to the left with a radius of 590.00 feet and an arc length of 333.98 feet, said curve being subtended by a chord bearing North 14° 44' 31" East 329.54 feet, to a point of tangency, and
16. North 01° 28' 29" West 67.20 feet to a point and to intersect the first line of the aforesaid deed, thence leaving the aforesaid Stepney Road and binding on the remainder of the said first line and on all of the second through twelfth and part of the thirteenth lines of the aforesaid deed, eleven courses, viz:
17. North 59° 41' 28" East, passing over a concrete monument heretofore planted at a distance of 0.60 feet, 1337.72 feet to a ½" rebar heretofore set,
18. North 60° 18' 16" East 289.23 feet to a stone heretofore planted,
19. North 62° 15' 47" East 213.90 feet to a stone heretofore planted,
20. North 63° 12' 37" East 46.11 feet to a concrete monument heretofore planted,
21. South 02° 59' 22" West, passing over a concrete monument heretofore planted at a distance of 899.75 feet, 1603.95 feet to a concrete monument heretofore planted adjacent to a ½" iron pipe heretofore set,
22. South 17° 34' 49" East 1284.11 feet to a concrete monument heretofore planted,
23. South 13° 18' 37" West 875.63 feet to a ½" pipe heretofore set,
24. North 51° 08' 17" West 825.40 feet to a concrete monument heretofore planted,
25. South 53° 15' 58" West 437.35 feet to a concrete monument heretofore planted,
26. South 50° 39' 12" East 1910.69 feet to a concrete monument heretofore planted, and

District Description
February 1, 2010
Page 3

27. South $48^{\circ} 52' 59''$ West 1782.92 feet to a point and to intersect the northerly right of way line of relocated Maryland Route 7 as shown on State Highway Administration Plat No. 52975, thence continuing the same course, continuing to bind on part of the aforesaid thirteenth line of the aforesaid deed, and crossing the said relocated Maryland Route 7.
28. South $48^{\circ} 52' 59''$ West 251.92 feet to a point on the southerly right of way line of the said relocated Route 7, thence leaving relocated Route 7, continuing the same course, and binding on the remainder of the aforesaid thirteenth and part of the fourteenth lines of the aforesaid deed.
29. South $48^{\circ} 52' 59''$ West 19.60 feet to a point and to intersect the northerly right of way line of Maryland Route 7 as shown on State Roads Commission Plat BTO, thence binding on the said right of way line and running through and across the land described in the aforesaid deed.
30. By a non-tangent curve to the left with a radius of 820.00 feet and an arc length of 178.79 feet, said curve being subtended by a chord bearing North $77^{\circ} 26' 57''$ West 178.43 feet, thence leaving the last mentioned right of way and binding on the right of way line shown on the aforesaid Plat No. 52975, three courses, viz:
31. North $01^{\circ} 29' 23''$ East 65.89 feet,
32. South $88^{\circ} 02' 39''$ West 83.20 feet, and
33. South $40^{\circ} 00' 55''$ West 77.17 feet to a point and to intersect the aforesaid northerly right of way line of Route 7 as shown on the aforesaid Plat BTO, thence binding thereon and on SRC Plat BTN, two courses, viz:
34. By a non-tangent curve to the left with a radius of 820.00 feet and an arc length of 122.35 feet, said curve being subtended by a chord bearing South $82^{\circ} 51' 33''$ West 122.23 feet, to a point of tangency, and
35. South $78^{\circ} 35' 05''$ West 741.26 feet thence leaving the said Plat BTN and binding on part of the right of way line of relocated Route 7 as shown on State Highway Administration Plat No. 52974, two courses, viz:
36. By a non-tangent curve to the right with a radius of 50.00 feet and an arc length of 43.86 feet, said curve being subtended by a chord bearing North $36^{\circ} 30' 40''$ West 42.46 feet, to a point of reverse curvature, and
37. By a tangent curve to the left with a radius of 260.00 feet and an arc length of 121.48 feet, said curve being subtended by a chord bearing North $24^{\circ} 46' 06''$ West 120.38 feet to a point and to intersect the southerly right of way line of relocated Route 7 as shown on the last mentioned plat, thence crossing the said relocated Route 7.

District Description
February 1, 2010
Page 4

38. North 39° 47' 17" West 123.15 feet to a point and to intersect the northerly right of way line of relocated Route 7, thence binding thereon as shown on the last mentioned plat, five courses, viz:
39. South 50° 12' 43" West 256.59 feet.
40. South 51° 56' 15" West 199.18 feet.
41. South 36° 37' 42" West 51.26 feet to a point of curvature.
42. By a non-tangent curve to the right with a radius of 1880.00 feet and an arc length of 147.64 feet, said curve being subtended by a chord bearing South 56° 38' 30" West 147.61 feet, to a point of tangency, and
43. South 65° 26' 59" West 39.22 feet to a point and to intersect the twenty-seventh line of the aforesaid deed, thence leaving the aforesaid relocated Route 7 and binding on the remainder of the said twenty-seventh and part of the aforesaid twenty-eighth lines of the aforesaid deed.
44. North 60° 28' 34" West, passing over the first mentioned pipe heretofore set at a distance of 258.09 feet, 264.59 feet to the place of beginning.

CONTAINING 304.307 acres of land, more or less.

BEING part of the land conveyed by and described in a confirmatory deed from Paul H. Seward and Beata May Seward, his wife to Stepney Road Holding Limited Partnership, dated July 17, 1989 and recorded among the Land Records of Harford County, Maryland in Liber 1567, Folio 0557; BEING ALSO part of the land conveyed by and described in a condemnation petition and agreed inquisition by the State Roads Commission of the State Highway Administration, plaintiff v. Stepney Road Holding Limited Partnership, et al, defendants recorded among the said Land Records in Liber 2245, Folio 0488.

Exhibit B

(Plat of the Development District Property)

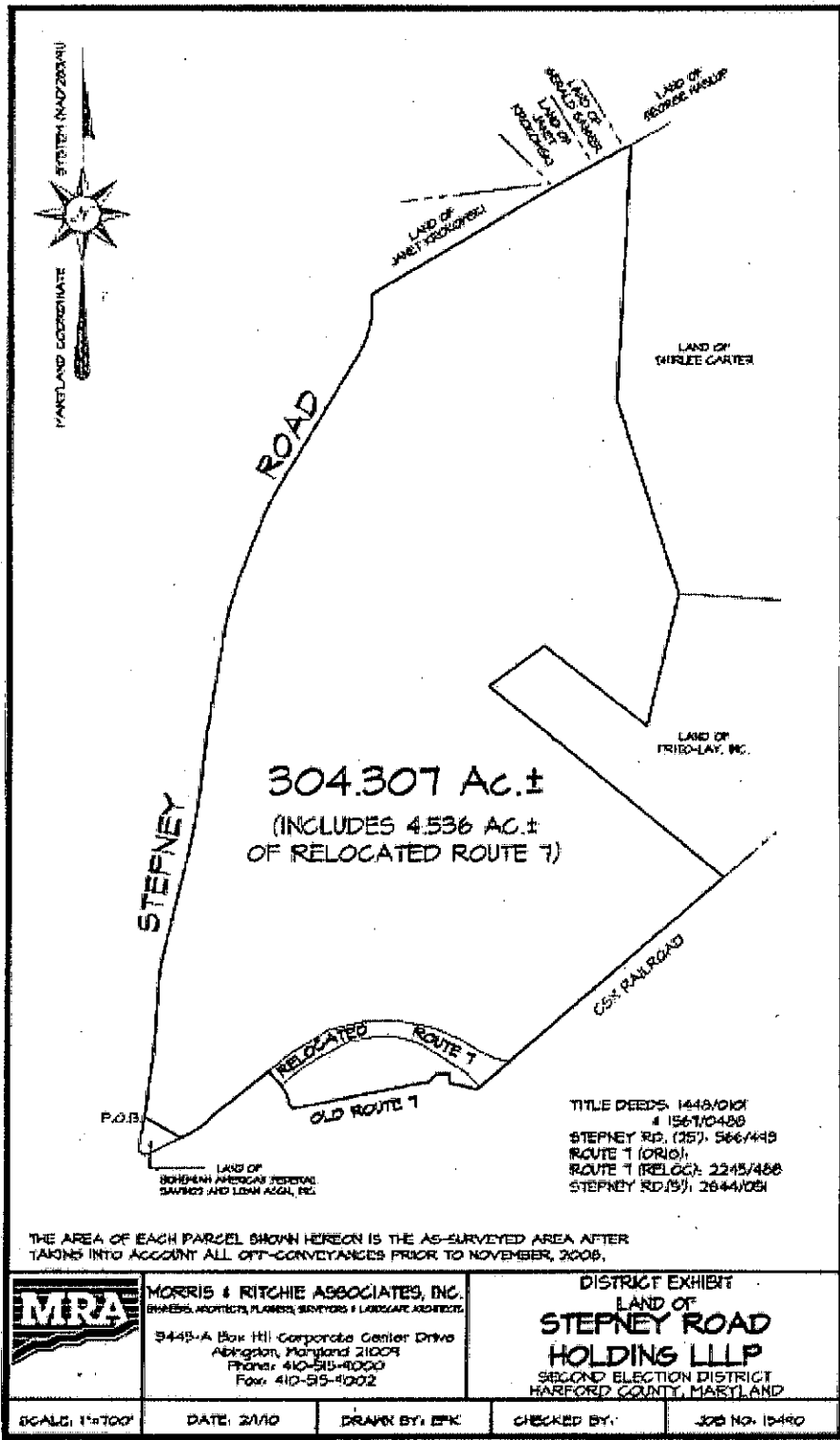


Exhibit C

(Metes and Bounds and Tax Parcel Identification Number of the Special Taxing District Property)

DESCRIPTION	PARCEL NUMBER	PROPERTY NO. / TAX ACCOUNT
An approximately 299.771 acre parcel of land more particularly described in Exhibit A hereto and commonly known as: 612 S. Stepney Road Aberdeen, MD 21001 Harford County	Map 58, Parcel 59	02-082594

[Exhibit C continues on following page]

BEGINNING FOR THE SAME at a point on the Northerly Right-Of-Way Line of Maryland Route 7 (relocated) as shown on S.H.A., Plat No. 52975 conveyed by and described in an Agreed Inquisition dated March 8, 1995 from Stepney Road Holding Limited Partnership to the State of Maryland. Said point also being on the Westerly outline of the Land of the Baltimore and Ohio Railroad Company and in the 13th or South 48° 53' 37" West 2020.00 Feet Line of that tract or parcel of land conveyed by and described in a Deed dated July 17, 1989 from Paul H. Seward and Beata May Seward, his wife, by Paul H. Seward, her Attorney in fact, to Stepney Road Holding Limited Partnership and recorded among the Land Records of Harford County, Maryland, in Liber C.G.H. 1567, folio 557, running thence, leaving said land of the Baltimore and Ohio Railroad Company and binding on said Right-Of-Way line as shown on said Plat and also binding on said Right-Of-Way line as shown on S.H.A. Plat No. 52974 with bearings based on NAD 83 (1991) established by GPS observation the fifteen following courses and distances, as now surveyed, viz:

- (1) North 77° 46' 55" West 94.76'
- (2) North 64° 12' 09" West 100.50'
- (3) North 58° 29' 31" West 150.00'
- (4) North 65° 56' 30" West 102.13'
- (5) North 69° 31' 13" West 108.28'
- (6) North 78° 41' 00" West 214.77'
- (7) South 87° 20' 04" West 213.55'
- (8) South 76° 01' 23" West 213.55'
- (9) South 58° 01' 02" West 265.04'
- (10) South 51° 50' 55" West 100.00'
- (11) South 50° 12' 43" West 350.15'
- (12) South 51° 56' 15" West 199.18'
- (13) South 36° 37' 42" West 51.26'

- (14) By a curve to the right with a radius of 1880.00' for an Arc distance of 147.64'; said curve being subtended by a Chord bearing South 56° 38' 30" West 147.61'
- (15) South 65° 27' 00" West 39.22' to a point in the Northerly Outline of the land of David E. and Mary F. Gonzales. Said point also being in the 27th or North 60° 27' 40" West 273.17 feet line of said conveyance from Paul H. Seward and Beata May Seward, his wife, by Paul H. Seward her Attorney in fact, to Stepney Road Holding Limited Partnership, running thence, leaving said Right-Of-Way and binding on the said Northerly Outlines of Gonzales and on the remainder of the said 27 line and on a portion of the 28th line of the said conveyance.
- (16) North 60° 28' 34" West 270.98' to a point on the Easterly Right-Of-Way line of Stepney Road as shown on Plats entitled "Stepney Road Improvements" and recorded among the Land Records of Harford County in Plat Book "Public Roads of Harford County", G.R.G. No. 2, Folio 33,34, 35,36, and 37, conveyed by and described in a Deed dated February 17,1961 from Paul H. Seward and Beata May Seward, his wife to the County Commissioners of Harford County and recorded among the Land Records of Harford County in Liber G.R.G. 566, Folio 493. Running thence and binding on said Right-Of-Way line the 21 following courses and distances:
 - (17) North 09° 24'00" East 91.14'
 - (18) North 07° 13'29" East 371.84'
 - (19) North 03° 33' 32" East 401.79'
 - (20) North 07° 58' 39" East 106.20'
 - (21) North 12° 56'55" East 819.86'
 - (22) North 10° 14' 17" East 312.19'
 - (23) North 06° 22'17" East 312.15'
 - (24) North 08° 28' 07" East 210.73'
 - (25) North 09° 41'04" East 501.72'
 - (26) North 12° 09' 20" East 158.00'
 - (27) North 16° 29'57" East 162.78'

- (28) North 20° 53' 08" East 159.16'
- (29) North 21° 49' 27" East 321.27'
- (30) North 26° 09' 43" East 160.19'
- (31) North 30° 11' 44" East 164.98'
- (32) North 30° 52' 00" East 876.63'
- (33) North 23° 01' 58" East 57.14'
- (34) North 17° 04' 50" East 54.49'
- (35) North 11° 58' 03" East 59.08'
- (36) North 06° 09' 24" East 57.63'
- (37) North 00° 42' 07" West 114.50' to a point in the first or North 59° 42' 2" East 36.34 feet line of the first mentioned conveyance herein. Said point also being in the Southerly outlines of the land of Janet M. Krokowski. Running thence and binding on said Southerly outline and on said conveyance the thirteen following courses and distances;
- (38) North 59° 41' 40" East 7.58' to a concrete monument heretofore set
- (39) North 59° 41' 40" East 1337.13' to an iron pin heretofore set
- (40) North 60° 18' 23" East 289.21' to a stone heretofore set
- (41) North 62° 20' 08" East 213.63' to a stone heretofore set
- (42) North 62° 58' 26" East 46.24' to a concrete monument heretofore set
- (43) South 02° 59' 13" West 899.75' to a concrete monument heretofore set
- (44) South 02° 58' 32" West 704.16" to a concrete monument heretofore set
- (45) South 17° 34' 13" East 1283.90' to a concrete monument heretofore set
- (46) South 13° 19' 02" West 875.47' to an iron pin heretofore set in a stone pile
- (47) North 51° 07' 40" West 825.00' to a concrete monument heretofore set
- (48) South 53° 17' 47" West 437.43' to a concrete monument heretofore set
- (49) South 50° 38' 51" East 1910.60' to a concrete monument heretofore set

(50) South 48° 52' 44" West 1782.75' to the point of beginning.

BEING ALL OF THE PROPERTY conveyed to Stepney Road Holding Limited Partnership by Paul H. Seward and Beata May Seward, his wife, by Paul H. Seward, her Attorney in Fact pursuant to a Deed dated November 30, 1987 and recorded among the Land Records of Harford County, Maryland in Liber C.G.H. No. 1448, folio 101 as corrected and confirmed by a Confirmatory Deed dated July 17, 1989 and recorded among the aforesaid Land Records in Liber C.G.H. 1567, folio 557;

SAVING AND EXCEPTING a parcel of land containing 0.659 acre which Stepney Road Holding Limited Partnership conveyed to Harford County, Maryland pursuant to a Deed dated February 20, 1998 and recorded among the aforesaid Land Records in Liber C.G.H. 2644, folio 51.

Exhibit D

(Plat of the Special Taxing District Property)

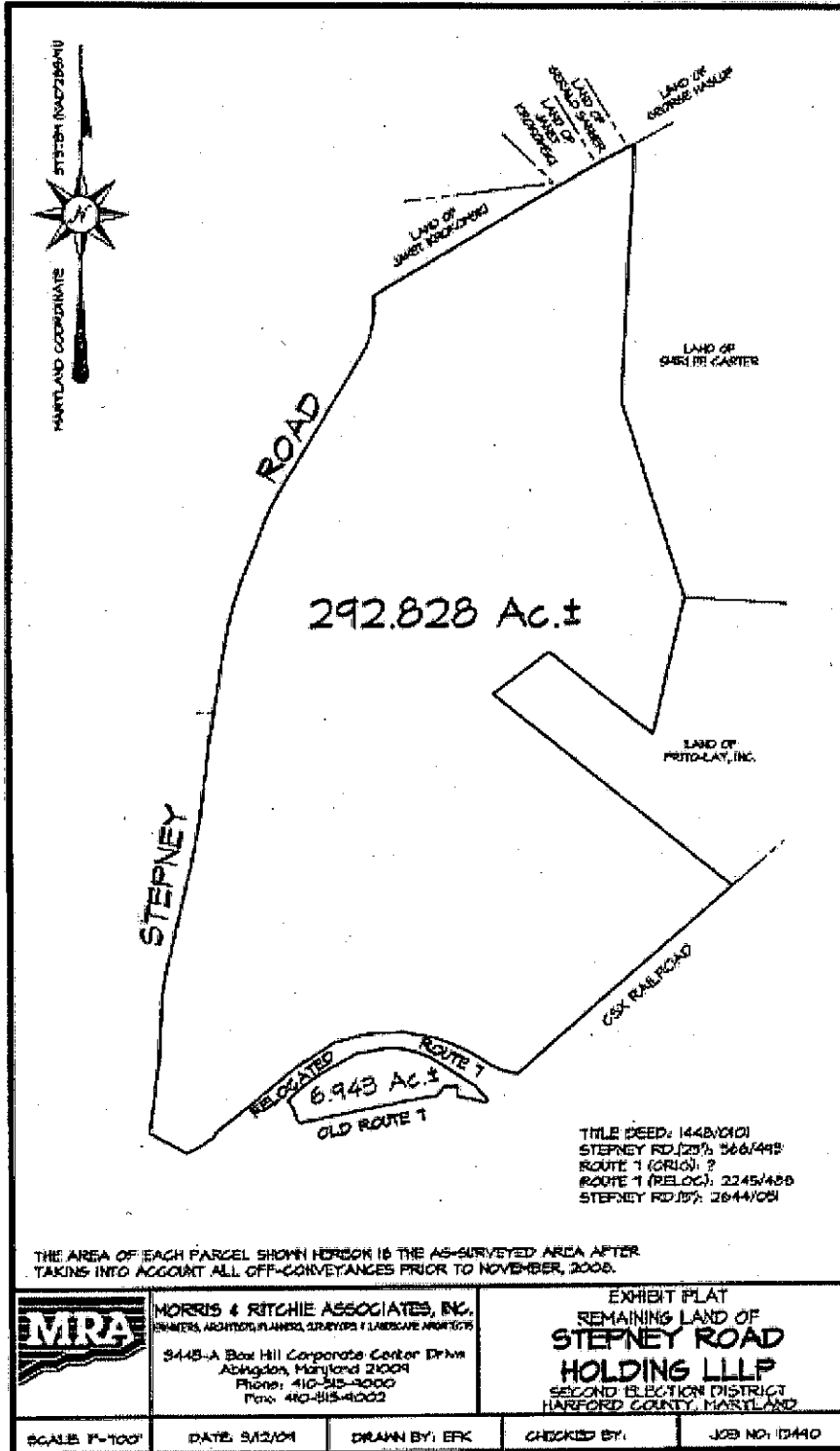


Exhibit E(Description of That Portion of the Development District Property That Is Not Included in the
Special Taxing District)**MORRIS & RITCHIE ASSOCIATES, INC.**ENGINEERS, ARCHITECTS, PLANNERS, SURVEYORS,
AND LANDSCAPE ARCHITECTS

February 3, 2010

4.536 Acre Parcel of Land, Part of the Right of Way of Relocated Maryland Route 7, Located East of Stepney Road, Second Election District, Harford County, Maryland.

BEGINNING for the same at a point at the intersection of the thirteenth or South 48° 53' 37" West 2020.00 feet line of a confirmatory deed from Paul H. Seward and Beata May Seward, his wife to Stepney Road Holding Limited Partnership, dated July 17, 1989 and recorded among the Land Records of Harford County, Maryland in Liber 1567, Folio 0557 with the northerly right of way line of Relocated Maryland Route 7 as shown on State Highway Administration Plat No. 52975, said point being distant 1782.92 feet from a concrete monument heretofore planted at the beginning of the said thirteenth line, thence crossing the said Relocated Route 7 and binding on the remainder of the said thirteenth and part of the fourteenth lines of the said deed, as now surveyed, with bearings referred to the Maryland Coordinate System (NAD'83/91),

1. South 48° 52' 59" West 251.94 feet to a point and to intersect the southerly right of way line of Relocated Route 7 as shown on the aforesaid SHA plat, thence leaving the said fourteenth line, binding on the said southerly right of way line as shown on the aforesaid SHA plat and on SHA Plat No. 52974, and running through and across the land described in the aforesaid deed, twelve courses, viz:
2. North 39° 34' 58" West 120.75 feet,
3. North 58° 29' 30" West 100.00 feet,
4. North 56° 19' 16" West 139.25 feet,
5. North 59° 27' 08" West 92.67 feet,
6. North 67° 45' 18" West 93.77 feet,
7. North 77° 49' 07" West 94.28 feet,
8. By a non-tangent curve to the left with a radius of 775.00 feet and an arc length of 94.51 feet, said curve being subtended by a chord bearing North 87° 50' 25" West 94.45 feet,
9. South 80° 09' 58" West 188.01 feet,
10. South 61° 03' 44" West 231.66 feet,
11. South 58° 08' 41" West 93.90 feet,
12. South 51° 50' 55" West 100.00 feet, and

3445-A Box Hill Corporate Center Drive, Abingdon, MD 21009 Phone: (410) 515-9000 Fax: (410) 515-9002

4.536 Acre Parcel of Land, Part of Relocated Maryland Route 7
February 3, 2010
Page 2

13. South 46° 54' 48" West 90.34 feet, thence crossing the said Relocated Maryland Route 7 and continuing to run through and across the land described in the aforesaid deed,
14. North 39° 47' 17" West 123.15 feet to a point and to intersect the northerly right of way line of Relocated Route 7 as shown on the last mentioned SHA plat, thence binding thereon and on the aforesaid northerly right of way line as shown on the first mentioned SHA plat, and continuing to run through and across the land described in the aforesaid deed, eleven courses, viz:
15. North 50° 12' 43" East 93.56 feet,
16. North 51° 50' 55" East 100.00 feet,
17. North 58° 01' 03" East 265.04 feet,
18. North 76° 01' 23" East 213.55 feet,
19. North 87° 20' 04" East 213.55 feet,
20. South 78° 41' 01" East 214.77 feet,
21. South 69° 31' 13" East 108.28 feet,
22. South 63° 56' 33" East 102.13 feet,
23. South 58° 29' 30" East 150.00 feet,
24. South 64° 12' 08" East 100.50 feet, and
25. South 77° 46' 54" East 94.79 feet to the place of beginning.

CONTAINING 4.536 acres of land, more or less.

BEING part of the land conveyed by and described in a condemnation petition and agreed inquisition by the State Roads Commission of the State Highway Administration, plaintiff v. Stepney Road Holding Limited Partnership, et al, defendants, recorded among the Land Records of Harford County, Maryland in Liber 2245, Folio 0488; BEING ALSO part of the right of way of Relocated Maryland Route 7 as shown on State Highway Administration Plat Numbers 52974 and 52975.

Exhibit F

(Harford County, Maryland Beechtree Estates Special Taxing District Rate and Method of Apportionment of Special Taxes")

[see attached]

EXHIBIT F

RMA No. 4
February 5, 2010

HARFORD COUNTY, MARYLAND BEECHTREE ESTATES SPECIAL TAXING DISTRICT

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAXES

A Special Tax is hereby levied and shall be collected in the Beechtree Estates Special Taxing District (the "District") each Fiscal Year, beginning with the Commencement Date and continuing until the Termination Date, in an amount equal to the Maximum Special Tax as determined through the application of the procedures described below. All of the real and personal property in the District, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

A. DEFINITIONS

The terms used herein shall have the following meanings:

"Act" means Section 9-1301 of Article 24 of the Annotated Code of Maryland, as amended from time to time.

"Adjusted Maximum Special Tax" means the Special Tax determined in accordance with Section B.3.

"Administrative Expenses" means any or all of the following: the costs and expenses of the County incurred in connection with the discharge of its duties; the costs and expenses of the County in carrying out its duties under the Indenture of Trust, including, but not limited to, calculating, levying and collecting the Special Tax (whether collected by the County or otherwise) and complying with arbitrage rebate requirements and obligated persons disclosure requirements associated with applicable federal and state securities law, including an allocable share of the salaries of the County staff directly related to the administration of the District and a proportionate amount of County general administration overhead related thereto, and the out-of-pocket costs and expenses of the County for any professionals retained by the County to provide services for such purposes; any amounts required to be rebated by the United States of America to comply with the arbitrage rebate requirements applicable to the Bonds, including payment in lieu of rebate; fees payable for any bond insurance or other financial guaranty or credit enhancement with respect to any Bonds or under the Indenture of Trust, including, without limitation, any credit facility for any reserve fund; any unpaid cost or expense of the County, including, without limitation, fees and expenses of legal counsel and any professionals retained by the County, for which the County is entitled to indemnification pursuant to a development agreement or other agreements relating to the District incurred in connection with the defense by the County or the bringing by the County of any claim, demand, suit or cause of action relating to the issuance of any Bonds, the establishment of the District, the levy or collection of Special Tax or any other matters related thereto; any fees, expenses or costs included in the definition of Administrative Expenses set forth in the Indenture of Trust and not specifically included herein; all other costs and expenses of the County, the Trustee, and the Administrator incurred in connection with the discharge of their respective duties, including legal fees and expenses

1 associated with such duties, and, in the case of the County, in any way related to the
2 administration of the District.

3
4 **"Administrator"** means the designee of the County for purposes of estimating the annual
5 Special Tax Requirement and the Special Tax to be collected each Fiscal Year and for providing
6 other services as required herein or by the Indenture of Trust.

7
8 **"Bonds"** means any bonds or other debt, including refunding bonds, whether in one or more
9 series, issued for the District by the County pursuant to the Act.

10
11 **"County"** means Harford County, Maryland.

12
13 **"County Treasurer"** means the official of the County who is the treasurer or other comparable
14 officer of the County or designee thereof.

15
16 **"Commencement Date"** means the first Fiscal Year in which Special Taxes are levied and may
17 be collected, which shall be the first Fiscal Year after the issuance of the Bonds.

18
19 **"Date of Classification"** means the date each year determined by the County to classify property
20 for purposes of determining the Special Tax for each Parcel.

21
22 **"Developed Property"** means Parcels of Taxable Property for which a building permit has been
23 issued that allows the construction of a structure.

24
25 **"District Maximum Special Tax"** means \$1,043,250 for the 2010-2011 Fiscal Year. On each
26 July 1, commencing July 1, 2011, the District Maximum Special Tax shall be increased to 102
27 percent of the District Maximum Special Tax in effect in the previous Fiscal Year. The District
28 Maximum Special Tax as of any date shall be reduced for any prepayments of Special Taxes
29 pursuant to Sections I, J or K occurring prior to such date.

30
31 **"Fiscal Year"** means the period starting any July 1 and ending on the following June 30.

32
33 **"Indenture of Trust"** means the indenture of trust relating to the Bonds, as modified, amended
34 and/or supplemented from time to time.

35
36 **"Mandatory Prepayment of the Special Tax"** means the required partial prepayment of the
37 Special Tax pursuant to Section K.

38
39 **"Maximum Special Tax"** means the Special Tax determined in accordance with Section B.1 or
40 B.2.

41
42 **"Maximum Special Tax Rates"** means the Special Tax determined in accordance with Section
43 B.

44
45 **"Net Land Area"** means the estimated area of Taxable Property of a Parcel on which buildings
46 or related improvements may be constructed, taking into consideration the development legally
47 permissible, the proposed or planned development, and existing or proposed Public Property,
48 exclusive use easements, and other areas on which development may not occur.

1
2 **"Owner Association Property"** means, for any Fiscal Year, any real property within the
3 boundaries of the District that is owned by or irrevocably offered for dedication to a property
4 owner's association and available for use in common by property owners.
5

6 **"Parcel"** means a lot or parcel of real property within the District with a parcel number assigned
7 by the tax collector or a separate legal parcel identified by the County for purposes of collecting
8 Special Taxes.
9

10 **"Proportionately"** means that the ratio of the Special Tax to be collected as a percentage of the
11 Adjusted Maximum Special Tax is equal for each Parcel (excluding those Parcels for which the
12 Adjusted Maximum Special Tax is zero).
13

14 **"Public Improvements"** means those public improvements the County has authorized to be
15 constructed for the benefit of the District and funded by the Bonds.
16

17 **"Public Property"** means property within the boundaries of the District owned by, or
18 irrevocably offered for dedication (in a plat map approved by the County or otherwise) to the
19 federal government, State of Maryland, the County, other entities exempt from taxation for
20 public purposes, or other public agency or instrumentality, or easements for the exclusive use of
21 a public utility provider; provided, however, that exclusive use utility easements and real
22 property that has been irrevocably dedicated includes only those parcels or portions of parcels for
23 which a copy of the easement or offer has been provided to the Administrator.
24

25 **"Required Maximum Special Tax"** means the required Maximum Special Tax as provided for
26 in the Indenture of Trust.
27

28 **"Single Family Residential"** means Parcels of residential property on which has been built or is
29 intended to be built single family detached residential dwelling units.
30

31 **"Special Tax"** means the Special Tax that has been levied each year by the County on Taxable
32 Property.
33

34 **"Special Tax Credit"** means, for any Fiscal Year, Tax Increment Revenues related to the Parcel
35 and included in the Special Tax Requirement for that Fiscal Year. For purposes of calculating
36 the Tax Increment Revenues for each Parcel, the base year value shall be allocated to each Parcel
37 on the basis of the assessed value of each Parcel.
38

39 **"Special Tax Requirement"** has the meaning given to it in Section C.1.
40

41 **"Tax Increment Fund"** means the account of such name established for the District pursuant to
42 an ordinance enacted by the County.
43

44 **"Tax Increment Revenues"** means the amounts paid or to be paid into the Tax Increment Fund
45 each year by the County.
46

47 **"Taxable Property"** means any Parcel that is not Public Property or Owner Association
48 Property.

1
2 **"Termination Date"** means the last Fiscal Year in which Special Taxes have been levied and
3 may be collected as provided for in Section F.
4

5 **"Townhouse Residential"** means Parcels of residential property on which has been built or is
6 intended to be built attached dwelling units located side by side (but not stacked) and any other
7 residential property not classified as Single Family Residential.
8

9 **"Trustee"** means the trustee appointed by the County for the District to carry out the duties of
10 the trustee specified in the Indenture of Trust.
11

12 **"Undeveloped Property"** means Parcels of Taxable Property not classified as Developed
13 Property.
14

15 **B. SPECIAL TAX LEVY**
16

17 **1. Developed Property**
18

19 The Maximum Special Tax for the 2010-2011 Fiscal Year for each Parcel of Developed Property
20 shall be equal to the product of the number of residential dwelling units that may be built on such
21 Parcel and the Maximum Special Tax Rate for each class of property shown in Table A.
22

23 **TABLE A**
24 **Developed Property**
25 **Maximum Special Tax Rates**
26 **2010-2011 Fiscal Year**
27

Property Class	Maximum Special Tax Rate
Single Family Residential	\$1,649
Townhouse Residential	\$1,087

28
29 On each July 1, commencing July 1, 2011, the Maximum Special Tax Rates shown in Table A
30 shall be increased to 102 percent of the respective Maximum Special Tax Rate in effect in the
31 previous Fiscal Year.
32

33 The computation of the number of units for each Parcel shall be based on the information
34 available regarding the use of the Parcel, which may include acreage and reasonable density
35 ratios, and such computation shall be conclusive as long as there is a reasonable basis for such
36 determination.
37

2. Undeveloped Property

The Maximum Special Tax for any Fiscal Year for each Parcel classified as Undeveloped Property shall be determined by the following formula:

$$A = (B - C) \times (D \div E)$$

Where the terms have the following meaning:

A	=	The Maximum Special Tax for a Parcel of Undeveloped Property
B	=	The District Maximum Special Tax
C	=	The Maximum Special Taxes on all Parcels of Developed Property
D	=	The Net Land Area of the Parcel for which the Special Tax is being calculated
E	=	The Net Land Area of all of the Parcels of Undeveloped Property.

3. Adjusted Maximum Special Tax

The Adjusted Maximum Special Tax for each Parcel shall be equal to the lesser of (but not less than zero) (i) the Maximum Special Tax for the Parcel and (ii) the amount calculated by the following formula:

$$A = B - C$$

Where the terms have the following meaning:

A	=	The Adjusted Maximum Special Tax for a Parcel
B	=	The Maximum Special Tax for a Parcel calculated as set forth above
C	=	The Special Tax Credit for the Parcel

The Special Tax Credit applied to all Parcels shall not exceed the Tax Increment Revenues applied to the Special Tax Requirement as provided for in Section C.1.

4. Personal Property

The special tax rate on personal property shall be zero.

C. LEVY AND COLLECTION OF SPECIAL TAXES

Special Taxes have been levied each Fiscal Year, beginning with the 2010-2011 Fiscal Year and continuing until the year provided for in Section F hereof, at the Maximum Special Tax. Special Taxes shall be collected each Fiscal Year from each Parcel of Taxable Property in amount calculated pursuant to the provisions of this section.

1. Special Tax Requirement

The Special Tax Requirement for any Fiscal Year shall be estimated by the Administrator and shall be an amount equal to (A) the amount required in such Fiscal Year to pay: (1) debt service

1 and other periodic costs (including deposits to any sinking funds) on the Bonds to be paid from
2 the Special Taxes collected in such Fiscal Year, (2) Administrative Expenses to be incurred in
3 the Fiscal Year or incurred in any previous Fiscal Year and not paid by special taxes in such
4 previous Fiscal Year, (3) any amount required to replenish any reserve fund established in
5 association with any Bonds and (4) an amount equal to the estimated delinquencies expected in
6 payment of the Special Tax or other contingencies as deemed appropriate, and (5) the costs of
7 remarketing, credit enhancement, bond insurance, and liquidity facility fees (including such fees
8 for instruments that serve as the basis of a reserve fund related to any indebtedness in lieu of
9 cash), less (B) (1) Tax Increment Revenues available to apply to the Special Tax Requirement
10 for that Fiscal Year, (2) any credits available pursuant to the Indenture of Trust, such as
11 capitalized interest, reserves, and investment earnings on any account balances, and (3) any other
12 revenues available to apply to the Special Tax Requirement.

13
14 2. Assignment to Land Use Categories

15
16 For each Fiscal Year, each Parcel shall be classified as Public Property, Owner Association
17 Property, or Taxable Property. Each Parcel of Taxable Property shall be classified as Developed
18 Property or Undeveloped Property. Each Parcel of Developed Property shall be classified as
19 Single Family Residential Property or Townhouse Residential Property. Each classification shall
20 be made on the basis of the classification that most nearly matches the property being classified.
21 The classification of Parcels shall be made based on the status of each Parcel as of the Date of
22 Classification.

23
24 3. Determination of Special Taxes to be Collected

25
26 Commencing with Commencement Date and for each following Fiscal Year through the
27 Termination Date, the Special Tax shall be collected as provided below.

28
29 **First:** The Special Tax shall be collected Proportionately from each Parcel of Undeveloped
30 Property up to the Adjusted Maximum Special Tax for such property to the extent necessary to
31 fund the Special Tax Requirement.

32
33 **Second:** If additional monies are needed to fund the Special Tax Requirement after the first step
34 has been completed, the Special Tax shall be collected Proportionately from each Parcel of
35 Developed Property up to 100 percent of the Adjusted Maximum Special Tax for such property,
36 to the extent necessary to fund the Special Tax Requirement.

37
38 The Administrator shall provide an estimate to the County prior to each Fiscal Year of the
39 amount of the Special Tax to be collected from each Parcel in conformance with the provisions
40 of this section.

41
42 4. Circumstances Under Which the Special Tax May be Increased as a Result of a Default

43
44 The Maximum Special Tax levied on any Parcel may not be increased regardless of the default in
45 the collection of the Special Tax from any other Parcel. The Special Tax to be collected from a
46 Parcel may be increased as a result of a default in the payment of the Special Tax on another
47 Parcel pursuant to the provisions of Section C.1, C.2, and C.3. If the Special Tax to be collected
48 from a Parcel pursuant to the provisions of Section C.1, C.2, and C.3. is less than the Adjusted

1 Maximum Special Tax for such Parcel, the Special Tax may be increased up to the Adjusted
2 Maximum Special Tax as a result of a default in the payment of the Special Tax to be collected
3 from another Parcel. The Special Tax to be collected from a Parcel may not exceed the Adjusted
4 Maximum Special Tax regardless of a default in the payment of Special Taxes by any other
5 Parcel.

6
7 **D. EXEMPTIONS**

8
9 A Special Tax is not levied on and shall not be collected from Public Property or Owner
10 Association Property.

11
12 **E. MANNER OF COLLECTION**

13
14 The Special Tax shall be collected in the same manner and at the same time as ordinary real
15 property taxes; provided, however, the Special Tax may be collected at a different time or in a
16 different manner as determined by the County, provided that such time or manner is not
17 inconsistent with the provisions of the Indenture of Trust. The Special Tax shall be secured in
18 the same manner as general ad valorem taxes and shall be subject to the same penalties and
19 interest and the same procedure, sale and lien priority in case of delinquency as is provided for
20 general ad valorem taxes.

21
22 **F. TERMINATION OF SPECIAL TAX**

23
24 Except for any delinquent Special Taxes and related penalties and interest, Special Taxes shall
25 not be collected from any Parcel after the earlier of (i) the repayment or defeasance of the Bonds
26 and (ii) such time provided for by the Indenture of Trust.

27
28 **G. REDUCTION IN THE MAXIMUM PROPERTY SPECIAL TAX RATE**

29
30 The Maximum Special Tax Rates may be reduced by the County Treasurer once all of the Bonds
31 are issued to reflect the actual debt service on the Bonds such that the Maximum Special Tax that
32 may be collected from all Parcels of Developed Property at the expected build-out of the District
33 is equal to the minimum debt service coverage requirement provided for in the Indenture of
34 Trust. The County Treasurer shall make any reduction in writing and shall provide a copy of
35 such reduction to the Administrator and the Trustee.

36
37 **H. SPECIAL TAX APPEALS**

38
39 Any property owner claiming that the amount or application of the Special Tax is not correct and
40 requesting a refund may file a written notice of appeal and refund to that effect with the County
41 Treasurer not later than one calendar year after the due date (i.e., July 1) for the Special Tax that
42 is disputed. Such appeal may not affect the due date of the payment of the Special Tax. The
43 County Treasurer, or the designee of the County Treasurer, shall promptly review all information
44 supplied by the appellant in support of the appeal and, if necessary, meet with the property
45 owner, and decide the appeal. If the decision of the County Treasurer requires the Special Tax to
46 be modified or changed in favor of the property owner, a cash refund shall not be made (except
47 for the last year of levy or unless sufficient funds will otherwise be available to meet the Special
48 Tax Requirement), but an adjustment shall be made to the next Special Tax levy on that Parcel.

1 The decision of the County Treasurer may be appealed to the County's Director of
2 Administration, who shall hold a hearing on the appeal and consider any written or oral evidence
3 presented by appellant. This procedure shall be exclusive and its exhaustion by any property
4 owner shall be a condition precedent to any other appeal or legal action by such owner.

5
6 **I. PREPAYMENT OF SPECIAL TAX**

7
8 The Special Tax for any Parcel may be prepaid and the obligation to pay the Special Tax for the
9 Parcel permanently satisfied as provided for herein. The Special Tax prepayment amount shall
10 be equal to the following: (a) the sum of the following: (i) Principal, (ii) Premium, (iii)
11 Defeasance, and (iv) Fees, (b) less the Reserve Fund Credit, plus any delinquent Special Taxes
12 on such Parcel, including any applicable penalties and related costs, where the terms have the
13 following meanings:

14
15 **Principal** means a portion of the principal of the Bonds equal to (i) the Maximum Special Tax
16 for the Parcel for which the Special Tax is being prepaid for the Fiscal Year in which such
17 prepayment is made divided by (ii) the District Maximum Special Tax for the Fiscal Year in
18 which such prepayment is made with the result multiplied by (iii) the total Bonds outstanding
19 after application of the Special Taxes collected in the corresponding Fiscal Year plus any
20 additional Bonds authorized to be issued net of costs associated with the issuance of such Bonds.

21
22 **Premium** means an amount equal to the Principal multiplied by the applicable redemption
23 premium, if any, for the Bonds to be redeemed, as provided for in the Indenture of Trust. There
24 shall be no Premium if the prepayment is made prior to the issuance of the Bonds.

25
26 **Defeasance** means the amount needed to pay interest on the Principal until the earliest call date
27 for the Bonds, less (a) the amount that will be received by the Trustee from the reinvestment of
28 the Special Tax prepayment until the Bonds are redeemed from the prepayment and (b) the
29 Special Tax paid prior to the prepayment that will be applied to the interest on or principal of the
30 Bonds that is included in the calculation of the Principal or Defeasance.

31
32 **Fees** means Administrative Expenses associated with the prepayment, including but not limited
33 to the calculation of the prepayment, the costs of redeeming the Bonds, and the costs of
34 recording or publishing any notices related to the prepayment and the redemption of the Bonds.

35
36 **Reserve Fund Credit** means any reduction in the reserve fund resulting from the redemption of
37 Bonds, as provided for the Indenture of Trust.

38
39 The sum of the amounts calculated herein shall be paid to the County or the Trustee and shall be
40 used to pay and redeem the Bonds in accordance with the Indenture of Trust and to pay the
41 Administrative Expenses associated with the prepayment. Upon the payment of such
42 prepayment amount to the County or the Trustee, the obligation to pay the Special Tax for such
43 Parcel shall be deemed to be permanently satisfied, and the Special Tax shall not be collected
44 thereafter from such Parcel.

J. PARTIAL PREPAYMENT OF THE SPECIAL TAX

The Special Tax for any Parcel may be partially prepaid in an amount convenient to call Bonds as determined by the Administrator and that portion of the Special Tax obligation permanently satisfied. The amount of the prepayment shall be calculated as in Section I; except, however, the principal portion shall be calculated according to the following formula:

$$A = B \times C$$

Where the terms have the following meaning:

- A = the principal portion of the partial prepayment
- B = the principal portion of the prepayment calculated according to Section I
- C = the percent by which the owner of the Parcels is to partially prepay the Special Tax

With respect to any Parcel for which the Special Tax is partially prepaid, the County shall (i) distribute the funds remitted to it by the settlement agent according to the Indenture of Trust, and (ii) indicate in the records of the District that there has been a partial prepayment of the Special Tax and that this portion of the Special Tax shall not be collected thereafter from these Parcels. Following a partial prepayment of the Special Tax with respect to any Parcels, the outstanding percentage of the Special Tax shall continue to be collected from such Parcels.

K. MANDATORY PREPAYMENT OF SPECIAL TAX

A Mandatory Prepayment of the Special Tax shall be required for any Parcel of Taxable Property if the Maximum Special Tax for that Parcel is less than the Required Maximum Special Tax. The Maximum Special Tax for the Parcel shall be calculated based on the Maximum Special Tax Rates and the development that is to occur on such Parcel. The development that is to occur on the Parcel shall be based on land use approvals from the County, if available, and if not available, the site plan in the Special Tax Report, as revised pursuant to information provided pursuant to any development, funding or other agreement.

The Mandatory Prepayment of Special Tax shall be calculated as set forth in Section I; however, "Principal" shall be calculated according to the following formula:

$$A = (B - C) \div D \times E$$

Where the terms have the following meaning:

- A = the principal portion of the Mandatory Prepayment of Special Tax
- B = the Required Maximum Special Tax
- C = the Maximum Special Tax for the Parcel, calculated as set forth above
- D = the District Maximum Special Tax
- E = the total principal amount of Bonds outstanding.

1 The amounts calculated in the preceding formula shall be paid to the County or the Trustee and
2 shall be used to pay and redeem the Bonds in accordance with the Indenture of Trust and to pay
3 the Administrative Expenses associated with the Mandatory Prepayment of Special Tax.

4
5 The Mandatory Prepayment of Special Tax shall be due prior to the recordation, conveyance, or
6 other action that results in a change to any Parcel resulting in a Mandatory Prepayment of
7 Special Tax. In the event the Mandatory Prepayment of Special Tax is not paid prior to the
8 change in any Parcel, the total Mandatory Prepayment of Special Tax may be collected from any
9 and all of the resulting Parcels. The Mandatory Prepayment of Special Tax shall have the same
10 sale and lien priorities as provided for by law for Special Taxes.

11
12 The Mandatory Prepayment of Special Tax shall not exceed the amount required to provide for
13 the payment or redemption of the principal amount of the outstanding Bonds plus the other
14 amounts set forth in Section I.

15 16 **L. AMENDMENTS**

17
18 This Rate and Method of Apportionment of Special Taxes may be amended by the County and,
19 to the maximum extent permitted by the Act, such amendments may be made without further
20 notice under the Act and without notice to owners of Taxable Property within the District in
21 order to (i) clarify or correct minor inconsistencies in the matters set forth herein, (ii) provide for
22 lawful procedures for the collection and enforcement of the Special Tax so as to assure the
23 efficient collection of the Special Tax for the benefit of the owners of the Bonds, and (iii)
24 otherwise improve the ability of the County to fulfill its obligations to levy and collect the
25 Special Tax and to make it available for the payment of the Bonds and Administrative Expenses.
26 Any such amendment may not increase the Maximum Special Tax.

27 28 **M. INTERPRETATION OF PROVISIONS**

29
30 The County shall make all interpretations and determinations related to the application of this
31 Rate and Method of Apportionment of Special Taxes, unless stated otherwise herein or in the
32 Indenture of Trust, and as long as there is a rational basis for the determination made by the
33 County, such determination shall be conclusive. All terms and provisions herein shall be
34 liberally construed to effectuate the purposes set forth herein.

35 36 **N. SEVERABILITY**

37
38 If any section or part of a section of this Rate and Method of Apportionment of Special Taxes is
39 declared invalid or unenforceable, the validity, force, and effect of any other section or part of a
40 section herein shall not thereby be affected or impaired unless such other section or part of a
41 section herein is wholly or necessarily dependent upon the section or part of a section so held to
42 be invalid or unenforceable.

Exhibit G

(Beechtree Estates Special Taxing District Harford County, Maryland, Special Tax Report)

[see attached]

BEECHTREE ESTATES SPECIAL TAXING DISTRICT

HARFORD COUNTY, MARYLAND

SPECIAL TAX REPORT

EXHIBIT G

Prepared By:

MuniCap, Inc.

February 5, 2010

**BEECHTREE ESTATES SPECIAL TAXING DISTRICT
HARFORD COUNTY, MARYLAND
SPECIAL TAX REPORT**

Purpose of Report

The Beechtree Estates Special Taxing District (the "District") is being created to facilitate the financing of all or a portion of the costs of public improvements for the District, including costs related to the issuance of the bonds. Bonds are expected to be issued by Harford County, Maryland (the "County") to fund the costs of the public improvements for the benefit of property within the District. The bonds will include the cost of the improvements, issuance costs, interest on the bonds during construction and for a period after construction, and a reserve fund.

The County will levy a special tax each year to provide funds for the payment of debt service on the bonds, to replenish reserves if needed, cover the cost of administration of the District, and fund other costs related to the bonds. The District is being created, special taxes levied, and bonds issued pursuant to the Special Taxing District Act, Article 24, Section 9-1301, of the Annotated Code of Maryland (the "Act"), as amended from time to time. The Act requires special taxes to be levied in a manner that is reasonable. This report explains the reasonable basis of the special taxes levied as described in the "Rate and Method of Apportionment of Special Taxes" for the District.

Description of the Special Taxing District

The Beechtree Estates development consists of approximately 299.77 acres located in close proximity to the Aberdeen Proving Grounds and both Interstate 95 and U.S. Route 40. The District is generally bound by Philadelphia Road (MD Route 7) and the CSX rail line to the south, Stepney Road to the west, and existing property owners to the north and east. Stepney Road will act as the primary entry point to the District.

The tax parcel comprising the District is shown by Table A below.

Table A
Tax Parcels Within the District

Map	Parcel	Account Number	Owner	Address	Acreage
58	59	02-082594	Stepney Road Holding, LLC	612 S. Stepney Road Aberdeen, MD 21001	299.77

A map outlining the proposed area of the District, along with the legal property description is shown in Exhibit A, attached hereto.

The property in the District is the former site of the eighteen-hole Beechtree Golf Course. Operations of the Beechtree Golf Course were discontinued as of December 2008. Amended Preliminary Plan No. P08-053-4, approved December 19, 2008,

identifies the zoning classifications for the property within the District as R-2 COS and R-3 COS (i.e., residential conventional development with open space). Preliminary plan approval confirms that the proposed project is in accordance with the Harford County Zoning Code. The Harford County zoning code for the zoning classifications related to the projected development is shown in Tables B and C below.

Table B
Harford County Zoning Code

Urban Residential District	Use Classification	Minimum Lot Area	Units Per Building Block	Maximum Dwelling Unit Per Gross Acre
R2 (COS)	Single Family Detached	7,500 Square Feet	-	4.5
	Townhouse	2,400 Square Feet	4.0	4.5
R3 (COS)	Single Family Detached	6,000 Square Feet	-	7
	Townhouse	1,800 Square Feet	-	7

Table C
Harford County Zoning Code

Urban Residential District	Min. Lot Width at Building Line	Min. Front Yard Depth	Min. Side Yard Width	Min. Rear Yard Depth	Maximum Building Height
R2 (COS)	55'	25'	20'	22'	3 stories
	24'	25'	0'	22'	3 stories
R3 (COS)	45'	25'	20'	22'	3 stories
	18'	0'	10'	22'	3 stories

The Amended Preliminary Plan Approval is attached hereto as Exhibit B.

The proposed development as shown in Table D is consistent with the land use approvals described above.

Table D
Proposed Special Taxing District Development

Proposed Development	
<i>Residential</i>	<i>Units</i>
Single family homes	371
Town homes	397
Total	768

A map showing the site plan for proposed development is shown in Exhibit C, attached hereto.

Proposed Public Improvements

The purpose of the District, the special taxes to be levied in the District, and the special obligation bonds to be issued with respect to the District is to finance some or portions of the costs of the public improvements shown below.

Table E
Public Improvements

Public Improvements	TIF Qualified Public Improvements
<i>Site Construction</i>	
Clearing and grubbing	\$117,810
Sediment and erosion control	\$166,320
Storm water management	\$124,740
Storm water management conversion	\$77,616
Excavation	\$451,836
Sewer	\$4,610,000
Water	\$3,276,000
Storm drain	\$5,386,500
Soil cement	\$1,575,086
Curb and gutter	\$1,161,090
Stone base	\$1,099,980
Paving	\$2,138,850
Round-about	\$69,300
Sub-total	\$20,255,128
<i>Off-site Road Improvements</i>	
MD 7 and Stepney Road	\$425,000
Site access	\$350,000
MD 543 and MD 7	\$180,000
US 40 and MD 7	\$745,000
MD 22 and Aldino - Stepney Road	\$850,000
Box culvert and stream crossing	\$450,000
Sub-total	\$3,000,000
<i>Off-site Sewer Extension</i>	
24" sewer interceptor line - Gray's Run	\$700,000
<i>Land and Soft Costs</i>	
Engineering	\$525,000
Legal	\$96,250
Fencing, sidewalks, street signs	\$480,000
Land	\$5,775,000
Sub-total	\$6,876,250
Total TIF qualified public improvements	\$30,831,378

Costs may vary from these estimates and the improvements built may be modified from those described herein. A description of these improvements follows:

1. Site Construction

Site construction includes preparation costs and fees on the portion of the site on which the public improvements are located. Preparation costs include mass earthwork, water and sewer utilities, curb and gutter, storm water management and drainage, and new road infrastructure. Fees consist of clearing and grubbing, sediment and erosion control, storm water management, excavation, water and sewer preparation, soil cement, curb and gutter, stone base, paving and a round-about.

2. Off-site Road Improvements

Off-site road improvements include the costs to construct a site access road, a box culvert, and a stream crossing. Road upgrades and improvements will also be made to MD Route 7, Stepney Road, MD 543, U.S. 40, MD 22, and Aldino Road.

3. Off-site Sewer Extension

Off-site sewer extension costs include a 24" sewer interceptor line that will carry sanitary flows to and from the District.

4. Land and Soft Costs

Land and soft costs include engineering and legal fees, fencing, sidewalks, street signs and a portion of land costs related to the construction of the public improvements.

The public improvements described above are all provided to meet the needs of the property in the District that results from the proposed development of the property. The improvements provide road access, water, sewer, storm water management, sidewalks, signage, landscaping, and other public improvements that do not currently exist and will be necessary for the proposed development of the property.

A map showing the proposed public improvements is attached hereto as Exhibit D.

Projected Issuance of Bonds

Bonds are proposed to be issued by the County to finance up to \$10 million of the costs of the public improvements described above. Bond proceeds will include the costs of constructing improvements, a reserve fund, issuance costs and capitalized interest. Furthermore, interest income on the bond proceeds will act as a supplement to the bond proceeds before they are fully expended. Table F on the following page shows the estimated sources and uses of funds for the issuance of bonds.

Table F
Sources and Uses of Funds

Sources of funds:	
Bond proceeds	\$12,840,000
Interest earned in the improvement fund	\$10,406
Total sources of funds	\$12,850,406
Total uses of funds:	
Public improvement costs	\$10,000,000
Issuance costs	\$250,000
Underwriter's discount	\$257,008
Capitalized interest	\$1,058,975
Reserve fund	\$1,284,000
Rounding	\$423
Total uses of funds	\$12,850,406

The actual issuance of the bonds may vary from these estimates depending on the interest rate on the bonds, the date the bonds are issued, the cost of issuing the bonds, reinvestment rates on bond proceeds, and other factors.

Bond issuance costs include legal fees, financial consulting fees, the cost of studies, the set-up and first year's fee of the trustee, trustee's counsel, County expenses, document printing costs and other miscellaneous costs related to the issuance of bonds.

Capitalized interest on the bonds fund the interest on the bonds for up to twelve months to allow time for the infrastructure improvements and other property in the District to be constructed, for the property to be added to the property tax roll, and property taxes to be collected from the property and applied to the payment of the debt service on the bonds.

The purpose of the reserve fund is to ensure there are sufficient funds to pay debt service should it be necessary to take action to collect delinquent property taxes. The proceeds in the reserve fund are invested and the income is applied to the annual debt service on the bonds. The reserve fund itself will eventually be applied to the repayment of the bonds. Accordingly, while the reserve fund is funded from bond proceeds, it is not a cost of issuing the bonds.

Projected Debt Service and Administrative Expenses

A schedule showing projected debt service and administrative expenses is attached to this report as Exhibit E. One series of bonds is assumed to be issued, with the bonds being repaid over thirty years.

The principal payments on the bonds are structured such that debt service is increasing each year during the amortization period of the bonds. The bonds are assumed to be tax-exempt with an interest rate of seven and one-half percent per year.

Estimated administrative expenses are included in Exhibit E, which represent County costs related to the administration of the District.

Determination of Special Taxes

Special taxes must be levied in a reasonable manner. The reasonable basis for the special taxes levied in the District is based on the following:

- (i) the public improvements to be provided by the District and the related tax increment district provide a special benefit to the property in the District and the special benefit to the property subject to the special taxes exceeds the cost of the special taxes;
- (ii) the amount of special taxes to be levied each year is equal to or less than the amount required to repay the bonds issued to finance the public improvements; and
- (iii) special taxes are allocated to parcels within the District in a manner that reasonably represents the benefit each parcel will receive from the improvements to be provided by the District.

Special Benefit

The property in the District will receive a special benefit from the public improvements to be provided as a result of the District. The public infrastructure will provide road access to, from and within the property in the District, extend water and sewer through the property in the District, provide storm water management improvements, and other improvements to the property in the District. These improvements are required for the proposed use of the property as described above. Accordingly, the public improvements to be provided as a result of the District provide a special benefit to the property in the District.

The special benefit of the public improvements to be provided as a result of the District will be equal to or greater than the cost of the special taxes levied on the property. The value of special benefit is confirmed by two means. First, the owner of the property in the District has requested that the County impose special taxes on the property for the purpose of providing the public improvements. It is reasonable to believe the owner is acting in its interest and making this request because the benefit it receives from the public infrastructure improvements exceeds the cost of the special taxes.

Second, the special taxes are being levied to provide improvements that are necessary for the highest and best use of the property (i.e., the use of the property that is most valuable, including any costs associated with that use). Highest and best use can be defined as "the reasonably probable and legal use of property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value." (*Dictionary of Real Estate Appraisal, Third Edition.*) The six criteria for highest

and best use are (i) reasonably probable, (ii) legally permissible, (iii) physically possible, (iv) appropriately supported, (v) financially feasible, and (vi) maximally productive.

The owner of the property in the District has analyzed various options for the use of the property, taking into consideration the legally permitted uses, the physical constraints of the site, financial parameters and market demand. The developer is understandably interested in maximizing its return on the property. Based on this analysis, the highest and best use of the property, including any costs required for that use, is the proposed uses for the property as described herein. This use of the property will require the public improvements as described herein and to be provided as result of the District. Without these improvements, the proposed use of the property would not be physically possible or adequately supported and, as a result, the property could not be put to its highest and best use.

The financing provided by the special tax district is long-term financing and pays interest to the bond holders that is exempt from income taxes, resulting in a lower rate than other available financing on comparable terms. The special taxes also help to make available tax increment financing for the bonds (that is, the bonds will be repaid from the increase in property taxes as well as from special taxes). As a result of these advantages, the financing provided by the District is the most beneficial means of financing the public improvements.

In summary, the special taxes result in a special benefit to the property and this special benefit is greater than the special taxes for the following reasons:

1. The public improvements to be provided as a result of the District are required for the highest and best use of the property;
2. The highest and best use of the property is the use of the property that is most valuable (including any costs associated with the use of the property);
3. The financing provided by the District is the most beneficial means of financing the improvements;
4. As a result, the special benefits to the property from the public improvements to be provided as a result of the District will be equal to or greater than the special taxes to be imposed on the property in the District.

Special Taxes Required to Repay the Bonds

As shown on Exhibit E, special taxes are levied in an amount necessary to meet the County's obligation to provide for the payment of debt service on bonds issued to fund the improvements to be provided by the District, including estimated administrative expenses and appropriate debt service coverage. Interest is calculated at seven and one-half percent on the bonds. The special taxes include debt service coverage of an additional ten percent, which is the general standard in the financial markets for special tax bonds.

The annual debt service is scheduled to increase by two percent each year. As a result, the maximum special tax must also increase by two percent each year.

The actual debt service on the bonds may be less than estimated herein. The "Rate and Method of Apportionment of Special Taxes" provides for the maximum special tax to be reduced based on the actual debt service on the bonds, so that the special taxes actually collected do not exceed the amount necessary to repay the bonds and to pay related administrative expenses and issuer fees.

The maximum special tax on all of the property in the District is set in a manner consistent with the estimate of the annual debt service on the bonds to be issued to finance the public improvements that provide a special benefit plus the required debt service coverage and administrative expenses and issuer fees related to the bonds. Special taxes are therefore set in a reasonable manner.

Allocation of Special Taxes to Parcels

Special taxes are allocated to parcels in the District in a manner to reasonably reflect the benefit property will receive from the improvements to be provided by the District. For purposes of estimating benefit, property is classified into one of two property classes, defined as single family residential or townhouse residential.

The benefit received by each property is estimated on the basis of the estimated future value of the property. The purpose of the improvements to be provided by the District is to allow for the redevelopment of the property. Estimating the benefit properties will receive from the improvements on the basis of future estimated value is particularly appropriate for improvements intended to provide for the redevelopment of the property, as one reason for the redevelopment is to increase the values of the property in the District.

Benefit for each class of property is represented by an equivalent unit factor. These factors are shown in Table G on the following page. The equivalent unit factors represent the relative future assessed value of the property within each property class.

Table G
Equivalent Unit Factors

Property Class	Estimated Assessed Value	Special Tax Classification	Assessed Value by Classification	Equivalent Unit Factor (Per Unit)
Single family	\$404,445	Single Family Residential	\$404,445	1.00
Townhomes	\$266,672	Townhouse Residential	\$266,672	0.66

The total number of equivalent units within the project is shown by Table H below.

Table H
Total Equivalent Units

Property Class	Equivalent Unit Factor (Per Unit)	Proposed Development	Total Equivalent Units
Single family	1.00	371	371
Townhomes	0.66	397	262
Total		768	633

Table I below shows the derivation of the special tax per equivalent unit based on the total obligations of the District, as shown in Exhibit E, and the number of equivalent units as shown in Table H.

Table I
Maximum Special Tax Per Equivalent Units

Total Special Tax Requirement	\$1,043,250
Total equivalent units	633
Maximum special tax per equivalent unit	\$1,649

Table J below shows the Maximum Special Tax within each class based on the special tax per equivalent unit shown in Table I and the equivalent unit factor shown in Table G.

Table J
Maximum Special Tax by Property Class

Property Class	Maximum Special Tax Per EU	Equivalent Unit Factor (Per Unit)	Annual Maximum Special Taxes	Total Maximum Special Tax by Class
Single family	\$1,649	1.00	\$1,649	\$611,676
Town homes	\$1,649	0.66	\$1,087	\$431,574

Adjusted Maximum Special Tax

Special taxes may be collected from each parcel in the District only up to the adjusted maximum special tax for the parcel. The adjusted maximum special tax for each parcel is the lesser of (but not less than zero) (i) the maximum special tax for such parcel and (ii) the maximum special tax for such parcel less the tax increment revenues related to such parcel available to repay the bonds. The tax increment revenues represent the increase in property taxes that results from the development of the property. The tax increment revenues will be applied to the repayment of the bonds issued to finance the public improvements to be provided by the District. To the extent property produces tax increment revenues, and these revenues cover the debt service on the bonds, the property is contributing its share of the cost of the public improvements through these revenues. The special taxes effectively cover each property's share of the cost of the public improvements not otherwise covered by the property's tax increment revenues.

Undeveloped Property

The special taxes allocated to undeveloped property are equal to the maximum special taxes for the District less the maximum special taxes on developed property. As shown by the tables above, maximum special tax rates are set for developed property on the basis of the total projected development in the District. Accordingly, the maximum special taxes on undeveloped property are based on the development expected to occur on the undeveloped property.

That is, the maximum special taxes on developed property are based on the development on the parcels of developed property. The balance of the development will occur on the parcels of undeveloped property. The balance of the maximum special taxes is also allocated to the parcels of undeveloped property. As a result, maximum special taxes are fairly allocated between developed property and undeveloped property on the basis of the development expected to occur on property within each class.

Special taxes are allocated to parcels of undeveloped property on the basis of the land area of each tax parcel. The development that may occur on a parcel of undeveloped property may not be known, as the uses can vary both by type and density. As a result, allocating special taxes to undeveloped property on the basis of net land area most fairly allocates the special taxes to parcels of undeveloped property.

Summary of Reasonable Basis of the Special Taxes

Special taxes are levied on the taxable property in the District according to the provisions of the "Rate and Method of Apportionment of Special Taxes." The Act requires special taxes to be levied in a manner that is reasonable. This report explains the reasonable basis of the special taxes. The reasonable basis may be summarized as follows:

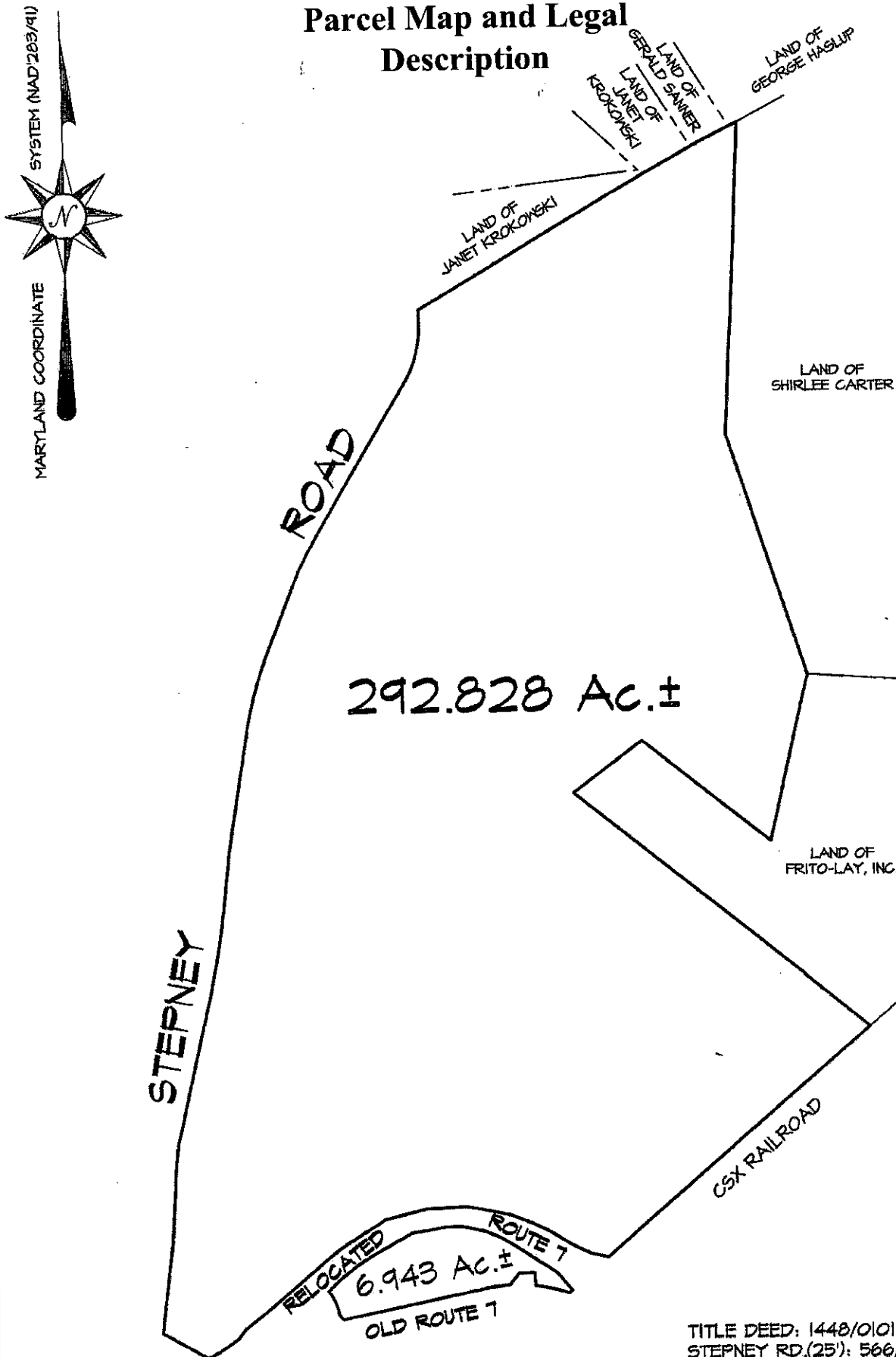
1. The property within the District will receive a special benefit from the public improvements to be provided as a result of the District and this special benefit exceeds the levy of the special taxes;

2. Special taxes levied on all of the property in the District each year are equal to the amount required to pay the debt service on the bonds issued to provide the public improvements, after taking into consideration any savings and other revenues available to repay the bonds; and,
3. Special taxes are allocated to each property within the District on the basis of the estimated future value of the property in the District, which reasonably reflects the relative benefit each property will receive from the improvements.

For these reasons, the special taxes are levied on the taxable property in the District in a reasonable manner.

Exhibit A

Parcel Map and Legal Description



TITLE DEED: 1448/0101
STEPNEY RD.(25'): 566/493
ROUTE 7 (ORIG): ?
ROUTE 7 (RELOC): 2245/488
STEPNEY RD.(5'): 2644/051

THE AREA OF EACH PARCEL SHOWN HEREON IS THE AS-SURVEYED AREA. AFTER TAKING INTO ACCOUNT ALL OFF-CONVEYANCES PRIOR TO NOVEMBER, 2008.



MORRIS & RITCHIE ASSOCIATES, INC.
ENGINEERS, ARCHITECTS, PLANNERS, SURVEYORS & LANDSCAPE ARCHITECTS

3445-A Box Hill Corporate Center Drive
Abingdon, Maryland 21009
Phone: 410-515-9000
Fax: 410-515-9002

EXHIBIT PLAT
REMAINING LAND OF
STEPNEY ROAD
HOLDING LLLP
SECOND ELECTION DISTRICT
HARFORD COUNTY, MARYLAND

SCALE: 1"=700'

DATE: 3/12/09

DRAWN BY: EFK

CHECKED BY:

JOB NO: 15440

EXHIBIT A

PROPERTY DESCRIPTION

BEGINNING FOR THE SAME at a point on the Northerly Right-Of-Way Line of Maryland Route 7 (relocated) as shown on S.H.A., Plat No. 52975 conveyed by and described in an Agreed Inquisition dated March 8, 1995 from Stepney Road Holding Limited Partnership to the State of Maryland. Said point also being on the Westerly outline of the Land of the Baltimore and Ohio Railroad Company and in the 13th or South 48° 53' 37" West 2020.00 Feet Line of that tract or parcel of land conveyed by and described in a Deed dated July 17, 1989 from Paul H. Seward and Beata May Seward, his wife, by Paul H. Seward, her Attorney in fact, to Stepney Road Holding Limited Partnership and recorded among the Land Records of Harford County, Maryland, in Liber C.G.H. 1567, folio 557, running thence, leaving said land of the Baltimore and Ohio Railroad Company and binding on said Right-Of-Way line as shown on said Plat and also binding on said Right-Of-Way line as shown on S.H.A. Plat No. 52974 with bearings based on NAD 83 (1991) established by GPS observation the fifteen following courses and distances, as now surveyed, viz:

- (1) North 77° 46' 55" West 94.76'
- (2) North 64° 12' 09" West 100.50'
- (3) North 58° 29' 31" West 150.00'
- (4) North 65° 56' 30" West 102.13'
- (5) North 69° 31' 13" West 108.28'
- (6) North 78° 41' 00" West 214.77'
- (7) South 87° 20' 04" West 213.55'
- (8) South 76° 01' 23" West 213.55'
- (9) South 58° 01' 02" West 265.04'
- (10) South 51° 50' 55" West 100.00'
- (11) South 50° 12' 43" West 350.15'
- (12) South 51° 56' 15" West 199.18'
- (13) South 36° 37' 42" West 51.26'

- (14) By a curve to the right with a radius of 1880.00' for an Arc distance of 147.64'; said curve being subtended by a Chord bearing South 56° 38' 30" West 147.61'
- (15) South 65° 27' 00" West 39.22' to a point in the Northerly Outline of the land of David E. and Mary F. Gonzales. Said point also being in the 27th or North 60° 27' 40" West 273.17 feet line of said conveyance from Paul H. Seward and Beata May Seward, his wife, by Paul H. Seward her Attorney in fact, to Stepney Road Holding Limited Partnership, running thence, leaving said Right-Of-Way and binding on the said Northerly Outlines of Gonzales and on the remainder of the said 27 line and on a portion of the 28th line of the said conveyance.
- (16) North 60° 28' 34" West 270.98' to a point on the Easterly Right-Of-Way line of Stepney Road as shown on Plats entitled "Stepney Road Improvements" and recorded among the Land Records of Harford County in Plat Book "Public Roads of Harford County", G.R.G. No. 2, Folio 33,34, 35,36, and 37, conveyed by and described in a Deed dated February 17,1961 from Paul H. Seward and Beata May Seward, his wife to the County Commissioners of Harford County and recorded among the Land Records of Harford County in Liber G.R.G. 566, Folio 493. Running thence and binding on said Right-Of-Way line the 21 following courses and distances;
- (17) North 09° 24'00" East 91.14'
- (18) North 07° 13'29" East 371.84'
- (19) North 03° 33' 32" East 401.79'
- (20) North 07° 58' 39" East 106.20'
- (21) North 12° 56'55" East 819.86'
- (22) North 10° 14' 17" East 312.19'
- (23) North 06° 22'17" East 312.15'
- (24) North 08° 28' 07" East 210.73'
- (25) North 09° 41'04" East 501.72'
- (26) North 12° 09' 20" East 158.00'
- (27) North 16° 29'57" East 162.78'

- (28) North 20° 53' 08" East 159.16'
- (29) North 21° 49' 27" East 321.27'
- (30) North 26° 09' 43" East 160.19'
- (31) North 30° 11' 44" East 164.98'
- (32) North 30° 52' 00" East 876.63'
- (33) North 23° 01' 58" East 57.14'
- (34) North 17° 04' 50" East 54.49'
- (35) North 11° 58' 03" East 59.08'
- (36) North 06° 09' 24" East 57.63'
- (37) North 00° 42' 07" West 114.50' to a point in the first or North 59° 42' 2" East 36.34 feet line of the first mentioned conveyance herein. Said point also being in the Southerly outlines of the land of Janet M. Krokowski. Running thence and binding on said Southerly outline and on said conveyance the thirteen following courses and distances;
- (38) North 59° 41' 40" East 7.58' to a concrete monument heretofore set
- (39) North 59° 41' 40" East 1337.13' to an iron pin heretofore set
- (40) North 60° 18' 23" East 289.21' to a stone heretofore set
- (41) North 62° 20' 08" East 213.63' to a stone heretofore set
- (42) North 62° 58' 26" East 46.24' to a concrete monument heretofore set
- (43) South 02° 59' 13" West 899.75' to a concrete monument heretofore set
- (44) South 02° 58' 32" West 704.16" to a concrete monument heretofore set
- (45) South 17° 34' 13" East 1283.90' to a concrete monument heretofore set
- (46) South 13° 19' 02" West 875.47' to an iron pin heretofore set in a stone pile
- (47) North 51° 07' 40" West 825.00' to a concrete monument heretofore set
- (48) South 53° 17' 47" West 437.43' to a concrete monument heretofore set
- (49) South 50° 38' 51" East 1910.60' to a concrete monument heretofore set

(50) South 48° 52' 44" West 1782.75' to the point of beginning.

BEING ALL OF THE PROPERTY conveyed to Stepney Road Holding Limited Partnership by Paul H. Seward and Beata May Seward, his wife, by Paul H. Seward, her Attorney in Fact pursuant to a Deed dated November 30, 1987 and recorded among the Land Records of Harford County, Maryland in Liber C.G.H. No. 1448, folio 101 as corrected and confirmed by a Confirmatory Deed dated July 17, 1989 and recorded among the aforesaid Land Records in Liber C.G.H. 1567, folio 557;

SAVING AND EXCEPTING a parcel of land containing 0.659 acre which Stepney Road Holding Limited Partnership conveyed to Harford County, Maryland pursuant to a Deed dated February 20, 1998 and recorded among the aforesaid Land Records in Liber C.G.H. 2644, folio 51.

Exhibit B
Amended Preliminary Plan Approval

DAVID R. CRAIG
HARFORD COUNTY EXECUTIVE

LORRAINE COSTELLO
DIRECTOR OF ADMINISTRATION



C. PETE GUTWALD
DIRECTOR OF PLANNING AND ZONING

HARFORD COUNTY GOVERNMENT

Department of Planning and Zoning

AMENDED PRELIMINARY PLAN APPROVAL

SUBDIVISION: BeechTree Estates		
PLAN NO.: P08-053-4	SUBMITTED: 03/19/08	REVISED: 05/12/08 05/30/08 10/22/08
SERIES: 4		
ENCLOSED AREA: 300.64+/- Acres	LOTS: 746 (349 SFD) (397 TH)	ZONING: R-2 COS R-3 COS
LOCATION: On the south side of Stepney Road; north of Philadelphia Road (MD Route 7); Tax Map 58: Parcel 59; Second Election District.		
PURPOSE OF PLAN: To create 746 single family/townhouse lots from a former public golf course.		

This letter amends the previous approval by clarifying the reforestation surety, recreational amenities and phasing demolition.

This plan proposes to create seven hundred, forty-six (746) dwelling units (349 single-family detached, and 397 townhomes) utilizing the R-2 and R-3 (Urban Residential) Conventional with Open Space (COS) design standards. This proposed development received Concept Plan Approval in a prior letter, dated June 02, 2008. All conditions of that approval letter remain in effect unless specifically altered herein.

The primary site is located on the east side of Stepney Road and on the north side of Philadelphia Road (MD Route 7). The site has significant road frontage along Stepney Road and Philadelphia Road. The R-2 portion of the property consists of 216.77+/- acres and the R-3 portion of the property totals 83.87+/- acres. A section of this property (6.31 acres) is bisected by Philadelphia Road (MD Route 7).

The project will be developed in five (5) phases. This development proposes to utilize the Natural Resource District Development Adjustment option set forth in Section 267-41.D (7) of the Harford County Code, as more than 30% of the site is located within the Natural Resource District (NRD). A total of 31.5 % (94.73 acres) of the site is located within the Natural Resource District. This option allows the project to utilize the design standards for the R-3 and R-4 Zoning District (COS), excluding density.

My Direct Phone Number is (410) 638-3103

MY DIRECT PHONE NUMBER IS

AMENDED PRELIMINARY PLAN APPROVAL

Beechtree Estates

P08-053 Series: 4

Page 2 of 9

The maximum allowable density for a Conventional with Open Space (COS) development in the R2 COS Zoning District is 4.5 dwelling units per gross acre. The maximum allowable density for a Conventional with Open Space (COS) development in R3 COS Zoning District is 7.0 dwelling units per gross acre. Based on these permitted densities, the parcel may be developed with a maximum of 1,562 dwelling units. This plan proposes seven hundred, forty-six single family lots and townhouse lots.

All proposed lots must meet all setbacks and minimum lot size for the R-3 and R-4 Conventional with Open Space District and be shown correctly on the final plat.

All lots (singles family dwellings and townhomes) that have two front-yard setbacks must show two front-yard setbacks on the final plat. Additionally, all lots that have frontage and directly abut Stepney Road must show a 40 foot setback. Stepney Road is classified as a collector road and the Harford County Subdivision Regulations state in Section 267-22(5) that yards located along a collector road shall receive a 40 foot setback.

A landscaping/recreation plan shall be submitted to Planning and Zoning for review and approval prior to final plat recordation. The plan shall accurately label all areas of open space and public amenities that this development will offer its residents. The walking trail (former golf cart path) shall be completed during the construction of the roads in each phase of the project, and protected during all subsequent construction phases.

This plan is subject to the Harford County Forest Conservation Regulations. A Forest Stand Delineation (FSD07-022-1) and a Forest Conservation Plan (FCP08-053-1) have been reviewed and approved by the Department of Planning and Zoning. All forested areas to be retained shall be labeled as "Forest Retention Area" on the final plat and recorded along with deeds containing covenants and restrictions protecting the Forest Retention Areas. The forest retention areas on the final plat shall be shown as a single straight hard line. This site contains a total of 300.64 acres. The total amount of forest located on site is 145.23 acres. The proposed clearing for this project is 79.44 acres. This plan proposes to retain 65.79 acres of forest. The reforestation requirement for this site is 62.56 acres. A total of thirty percent (30%), or 18.77 acres, of the total reforestation requirement shall be satisfied through the planting of approved street trees. The remaining 43.79 acres shall be planted on-site.

The forested area to be retained and all reforestation areas shall be identified on the final plats as "Forest Retention Area". A Declaration of Covenants and Restrictions for these areas must be submitted with the final plat. The noted areas are non-disturbance areas similar to a Natural Resources District (NRD). Any need to encroach into the forest retention area shall require contact with the Department of Planning and Zoning and possibly a Revised Forest Conservation Plan.

A surety in the amount of \$762,996.96 must be submitted to assure the planting and survival of the required on-site reforestation. The surety in the form of a bond or letter of credit shall be received for the reforestation work prior to the issuance of grading permits for that phase. The Department of Planning and Zoning must be notified in writing once the reforestation is installed both on and off-site. A different surety amount may be posted if an acceptable cost estimate from a landscape contractor is submitted to Planning and Zoning and approved.

This site contains environmentally sensitive areas, namely a major tributary, streams and the associated non-tidal wetlands located in the central portion of this property. The streams, non-tidal

AMENDED PRELIMINARY PLAN APPROVAL

Beechtree Estates

P08-053 Series: 4

Page 3 of 9

wetlands, and the 75 foot buffer shall be labeled as "Natural Resource District" (NRD) on the final plat. All applicable wetland buffers must be shown on the final plat. There will be no forest clearing and grading permitted in the wetland buffers for actual home construction.

Any activity that may result in the discharge of dredge or fill material into streams or wetlands may require permits from the U.S. Army Corps of Engineers and/or the Maryland Department of the Environment. To minimize delays, it is recommended that application be made as early as possible in the development of this project.

The Harford County Health Department has extended its approval for this plan. The site will be serviced by public water and sewer. The Harford County Health Department has received correspondence from Maryland Department of the Environment (MDE), Land Restoration Program (LPR), regarding the redevelopment of golf courses into residential developments. Potential threat to the environment and human health can originate from activities associated with golf course operations. Golf courses relied upon evolving turf grass management techniques to maintain the quality of playing fields. Such practices have relied upon the application of pesticides, herbicides, insecticides, and fungicides for turf management. Therefore, MDE-LRP has developed the 'Golf Course Environmental Assessment-Technical Guidance Document' to be used in the redevelopment of golf courses. The Harford County Health Department strongly recommends the owner/developer review this document and incorporate its recommendations into a phase I assessment of the property. Any discovery that may negatively impact the future residents of the development must be remediated to the satisfaction of the appropriate governmental agency or an acceptable private third party.

Prior to final plat approval, the following is required:

1. Any buildings listed to be razed will require a demolition permit that is secured through the Department of Planning and Zoning prior to final plat recordation for each phase. All aspects of the demolition work must be reviewed, approved and completed to the satisfaction of the Harford County Health Department. This includes, but is not limited to, the abandonment of any wells, septic systems, asbestos, underground storage tanks, hazardous materials, solid wastes, etc. and the forwarding of any documentation concerning the demolition work. If there are any questions concerning the demolition work, please contact Mr. Joe Delizia or Mr. Andy Holtan of the Health Department's Air/Waste Division. They can be reached at 443-643-0335 or 443-643-0326.

Public swimming pools require specific permits and oversight from both the Harford County Health Department and the Maryland Department of Health and Mental Hygiene (DHMH). Construction plans for the pool must be submitted to DHMH for review. Please contact Mr. Kevin Barnaba of the Harford County Health Department at 443-643-0330 for further instructions regarding the construction, operation, and inspection of the swimming pool. The existing clubhouse facilities may need to be upgraded to meet COMAR pool regulations.

It is recommended that the owner/developer disclose to any prospective purchaser the close proximity to the Edgewood Area of the Aberdeen Proving Ground (APG). Information on current and past activities can be obtained from the Public Information Office at APG by calling 1-800-APG-9998. The owner/developer is reminded that during the development of this project when soil moisture conditions are low, measures must be implemented to prevent the generation of dust until a permanent vegetative cover is established and all paving is completed. The final plat must bear

the standard Owner's Statement and the Master Plan Conformance Statement.

The Department of Public Works, Division of Water and Sewer has approved this plan. This proposed subdivision is subject to the requirements of the West Aberdeen Sewer Policy. This policy is described in the Rules and Regulations of the Division of Water and Sewer.

The developer of the Beechtree Estates subdivision shall be required to construct the planned regional water and sewer facilities that coincide with the facilities that are necessary to service this project. As plans are developed, Harford County will enter into recoupment/surcharge agreements with the developer that constructs a water and sewer facility that is larger than the minimum requirement to service only his development. The sizes of the sewer mains shown on the Preliminary Plan will be reviewed during the final drawing phase to verify that the planned capacities are adequate for the drainage areas.

Section IV of the Gray's Run Interceptor Sewer must be constructed to serve this subdivision. It consists of approximately 660 feet of 24-inch diameter pipe and is described in the Gray's Run Collector Sewer Policy in the Water and Sewer Division's Rules and Regulations.

There is approximately 630 feet of sewer along Gray's Run stream which must also be constructed. This will be accomplished by constructing a new sewer to replace a portion of existing contract 3001 from 140 feet below manhole 11 to manhole 13 with a sewer large enough to convey the projected design flows from the remainder of the drainage area within the current designated growth area as depicted in the 2004 Master Land Use Plan.

There is approximately 950 feet of sewer which must be constructed along Route 7 from the Gray's Run stream crossing to Stepney Road. The sewer line must then be extended northward along Stepney Road to replace approximately 330 feet of existing sewer contract 19077 beginning near manhole 6 and ending at manhole 7. From this point the sewer will connect to the sewers shown on the preliminary plan drawings. This sewer must also be designed to convey the projected flows from the remainder of the drainage area, within the current designated growth areas as depicted in the 2004 Master Land Use Plan.

Each of the above sections of sewer line must be constructed concurrent with the first section of development within this subdivision.

The County requests that a fee simple parcel be dedicated for use as a future water booster station along Stepney Road. The site shall be a lot located north of the wetland mitigation area across from parcel 36. The lot shall be identified as land to be dedicated to the Harford County Division of Water and Sewer on the final plat. The deed for the lot should also describe it as property dedicated for use by the Harford County Division of Water and Sewer. The lot shall encompass all of the property in this vicinity that is outside of the 25' wetland buffer. Forest Retention may not be part of this lot. The water main which will feed the booster station must be a 16" diameter main. It may not connect into the existing 12" diameter stub, but instead shall connect directly to the existing 16" diameter main in MD. Route 7. This main shall be constructed as part of the mains to serve the subdivision.

The proposed sewer located at the end of Viridian Road between Lots 553 and 554 shall be moved to between Lots 552 and 553 on the final construction drawings. The manhole located at the rear of Lot 552 shall be placed on the lowest possible contour to allow for the future extension of this sewer.

AMENDED PRELIMINARY PLAN APPROVAL

Beechtree Estates

P08-053 Series: 4

Page 5 of 9

The public sewer in Gullwing Court shall be extended between Lots 728 and 729 in a thirty foot wide drainage and utility easement to within ten feet of the tract boundary to allow extension of the sewer in the future. This sewer shall be built as part of the sewer construction for the subdivision. A thirty foot wide drainage and utility easement shall extend from the corner of Lot 729 along the tract boundary to the northernmost corner of the property. It may coincide with the ten foot landscaping buffer. Another thirty foot wide easement shall also be placed along the west side of Lot 746 and extended to the Stepney Road right-of-way line for future sewer main extension. A public water main shall be extended between Lots 733 and 734 on Gullwing Court to within five feet of the rear lot line. The main shall be placed in a thirty foot wide exclusive use easement. The entire open space area between Lots 547 and 548 shall be dedicated as a drainage and utility easement. The easement shall be shown on the water and sewer construction drawings.

An eight inch (8") diameter sewer stub shall be placed in a thirty foot wide easement between Lots 533 and 534. It shall be designed at a 0.75% slope and terminate in a manhole at the Stepney Road right-of-way line.

The sewer between Lots 616 thru 619 shall be moved down to between Lots 613, 614 and 621 thru 622 to avoid excessively deep sewers in Bentgrass Drive. The sewers in the vicinity of Heavenly Way and Sahara Circle must be realigned to avoid excessively deep sewers. It is suggested that the engineer meet with the Division of Water and Sewer prior to beginning final design of the sewers in this area to determine the best alignment.

A public water main shall be extended between Lots 688 and 704 to within five feet of the rear lot line. The main shall be located in a thirty foot wide exclusive use drainage and utility easement. Additionally, the easement across from Lots 484 shall be forty feet wide to allow for a future sewer extension. The sewer main shall be extended beyond the edge of the proposed road right-of-way as part of the utility construction for this project.

An exclusive County use drainage and utility easement shall be provided between Lots 646 and 647 to allow the extension of a gravity sewer main and a water main to the adjacent property.

The sewer line terminal manhole in the cul-de-sac of Bentgrass Drive shall be the beginning point of a gravity collector sewer main that will traverse this site and end at Gray's Run Collector Sewer. This sewer must be sized to handle the discharge of a future regional sewage pumping station that will service the West Aberdeen Drainage Area. The alignment may remain as shown on this plan.

The developer will be required to complete a commercial service application for the clubhouse and pool construction. This application must be completed by the developer and approved by the Division of Water and Sewer prior to receiving a building permit for the work. Ms. Patti Bankert of New Construction Services may be contacted at (410) 638-3300 for additional information regarding this process.

The contract number(s) for Phase 1 of this project are 19634 for water and 19635 for sewer. The number(s) shall be placed on the utility construction drawings before their initial submittal to the county for review.

When the water and sewer construction drawings are approved for the townhouses in this subdivision, they will be approved for only the building footprint and driveway locations shown on this

plan. The architectural drawings and driveway layout shall be provided with the water and sewer contract drawings. Any revisions to the shape of the building footprint or driveways will require that the utility drawings be revised to show the new configuration of the unit. Additionally, if a group or block of buildings is shifted, revised construction drawings must be approved for the change. The Developer hereby agrees to relocate at his expense any services that are incorrectly placed within a driveway or sidewalk.

The Department of Public Works, Division of Engineering has reviewed this plan. Road plans will need to be approved and a Public Works Agreement will need to be executed prior to the issuance of building permits for the site. Perpendicular parking shall be eliminated along Dryden Road, opposite Onesta Court. Additionally, it is not clear if Dryden Drive connects to the 1400 block portion of Old Philadelphia Road. If it does not, then a cul-de-sac shall be constructed. Roadside drainage shall be addressed along Stepney Road and Old Route 7 by providing a three (3) foot graded shoulder and side ditch or other measures to be determined during the final design. Platue Drive and Classic Drive shall have adequate sight distance for a 35-mph design speed at the intersections with Stepney Road. Sight Line profiles need to be revised in accordance with AASHTO criteria. Additionally, channelized right turn lanes shall be provided at the intersection with Stepney Road. Millar Road, Heathland Trail and Wellspring Drive shall be constructed as 30 foot roadways on a 34 foot right of way. All roads accessing the single family homes will be 30 foot roadways on a 50 foot right-of-way. Lots 522 and 574 shall access onto Virdin Road. Lots 414 and 450 shall access kicker way. Lots 460 and 471 shall access onto Boomerang Way. Lots 741 and 724 shall access unto Gullwig Court. Lots 713 and 717 shall access onto Elbow Court. Lots 603, 698, 617 and 689 shall access onto Sahara Circle. Lot(s) 699 and 703 shall access unto heavenly way. Lots 618, 666, 655 and 636 shall access onto up and Over Lane. Lot(s) 495 and 496 shall access onto Perception Way. No Driveway accesses are permitted onto Stepney Road.

A continuous sidewalk and paved pedestrian trail(s) shall be provided along the entire property frontage of Stepney Road and shall extend to the bank property at MD route 7. A pedestrian crossing shall be provided across Heathland Trail at Millar Road by providing a chocker, or island.

A sediment control plan and a grading permit will be required for the development of this site. Sediment controls are to be designed to the specifications as set fourth in the Maryland Standards for Erosion and Sediment Control, latest edition.

Stormwater management must be provided in accordance with the 2000 Stormwater Management Design Manual and the Harford County Code. The existing ponds shall need to be evaluated and upgraded to current specifications. A stormwater management permit is required prior to the issuance of a building permit. Stormwater management shall be approved prior to the issuance of a grading permit. Maintenance of the storm water management facility is the responsibility of the lot owners and shall be stipulated in the association documents.

This development is being designed as a Conventional with Open Space design project. A minimum of ten percent (10%) of the 216.77 acres of the R-2 zoned portion of the site must be retained as open space (21.68 acres) along with fifteen percent (15%) of the 83.87 acres zoned R-3 (12.58 acres). The total required open space is 34.26 acres. The plan proposes 132.70 acres of open space. A minimum of forty percent (40%) of the required open space must be 'active' open space. This totals 13.70 acres. The developer has indicated that the existing clubhouse shall be retained for the use of the residents and a pool, tennis court and free play area shall be constructed

AMENDED PRELIMINARY PLAN APPROVAL

Beechtree Estates

P08-053 Series: 4

Page 7 of 9

(5.82 acres) and that the existing cart paths will be utilized as the basis a new trail system (4.38 acres). The plan currently shows a tot-lot and village green areas totaling 2.54 acres. The balance of the required active open space (.96 acres) will be met through of fee in lieu or service in lieu. The value of the project will be based on the current fee-in-lieu of \$50,000 per acre or \$48,000.00 (U.S.) for the project. This site lies within the service area of the Belcamp Recreation Council. The lighting of a soccer/lacrosse field at Belcamp Park would extend programming opportunities at that site significantly. Payment of the fee must be completed prior to final plat approval.

The landscaping and recreation plan shall detail how the 10 foot landscape buffer will be provided. The plan should also detail the construction specifications for the proposed walking trails. The walking trails shall be constructed along with the proposed roads for each phase.

A Homeowners Association (H.O.A.) is required to be established for the ownership and maintenance of all open space areas and the proposed stormwater management facilities. The HOA documents shall be submitted with the final plat, for recording within the Harford County Land Records.

A Traffic Impact Analysis (TIA) has been submitted and reviewed by the Department of Public Works and the Department of Planning and Zoning. The following improvements must be bonded by the developer prior to issuance of any building permits.

MD 543 at MD 7: The developer of Beechtree Estates is required to modify the existing design of the MD 543 southbound double left turn lane to MD 7 by adding a 300' extension. The design will include moving and reinstalling the SHA overhead sign structure that currently exists along MD 543. The improvement must be done in accordance with Maryland SHA standards. If the developer is unable to construct the improvement due to delays by other parties, the developers would bond with SHA the funds necessary to account for costs associated with the design and construction of the roadway improvement and sign relocation.

MD 7 at Stepney Road: The developer shall be required to construct a 100' eastbound MD7 left turn lane in accordance with Maryland SHA standards. In addition, the developer is required to conduct a signal warrant and roundabout analysis at this intersection prior to recordation of the 350th unit. If at that time the signal is warranted, the developer is required to design and install a signal, including video detection cameras.

US 40 at MD 7/MD 159: The developer is required to design and construct a second eastbound MD 7 left turn lane in accordance with Maryland SHA standards.

MD 22 at Aldino-Stepney Road: The developer is required to design and construct a separate northbound Aldino Stepney Road left turn lane. A public Works Agreement and bond has been posted by another developer based on preliminary design which can be used by this developer towards the final design and construction of the improvement at this intersection. The developer would have to fund any additional costs for this improvement.

MD 7 at Dryden Road/Heathland Trail: The original improvement to mitigate the impact at the intersection of MD 7 at the proposed site access (Dryden Road) was to construct a roundabout. After reassessing the improvement, it has been decided that the developer shall be required to conduct a roundabout analysis. If it is determined by Maryland SHA that a roundabout is required, the developer will bond the cost of the design and construction of the roundabout. If Maryland SHA

decides that the roundabout is not required, then the developer shall be required to bond the cost of the design and construction of left turn lanes and acceleration/deceleration lanes along MD 7.

The State Highway Administration (SHA) has reviewed and approved this plan and shall require the following:

1. SHA Access Permits are required for the development of the site. The MD 7 at Heathland Trail access approach is proposed as a monumental type entrance. The MD 7 at Dryden Road access approach is proposed as a 30' wide access with 30' radii. The left turn lanes of each approach must be directly aligned opposite each respective left turn lane with this assumed design. A roundabout should be considered for this access, therefore a roundabout analysis must be provided prior to the execution of a public works agreement.
2. Assuming a conventional intersection design, the MD 7 at Heathland Trail/Dryden Road site accesses shall require 375' deceleration lanes and 360' merge/acceleration lanes. The final design or any proposed modification to the length of the acceleration/deceleration lanes must be approved by the State Highway Administration. The MD 7 typical-section at the Heathland Trail/Dryden road intersection shall consist of an 11' wide through lanes, 11' auxiliary lanes with 5' wide outside shoulders and 12' wide westbound exclusive left turn lane with 100' of storage lane plus approach and entry tapers. This design is subject to change if a roundabout is justified.
3. The engineer shall submit a horizontal and vertical sight line profile to verify intersection sight distance is adequate for an assumed 50 M.P.H. prevailing speed at the proposed south side access. Roadside grading and a clear sight easement on the record plat may be required.

Lot(s) 591-592 and 437-438 will require a common drive for access purposes. A Common Drive Agreement must be submitted with the final plat. This area shall be easily distinguishable on the final plat. Common Drive Agreements providing for the use, maintenance and responsibility of the common drives must be submitted for recordation with the final plats.

Cul-de-sac waiver requests have been submitted for Wellspring Drive, Viridian Road, Gullwing Court and Onnesta Court to permit cul-de-sacs that exceed the 600 feet. Due to the unique topography and environmental constraints this waiver is hereby granted.

The final plat is required to bear one or more corners accurately tied by a system of bearings and distances to a monument of the Harford County system according to Section 6.01.D.2. of the Harford County Subdivision Regulations.

For subdivisions that require overhead/underground right-of-way agreements, the agreements shall be executed and delivered by the subdivider to the appropriate public service company prior to final plat approval. Verification of this transaction will be submitted by the service company to the Department of Planning and Zoning prior to final plat recordation.

The final plat shall bear the following:

1. Addresses: (See Addressed plan)
2. Signature of all owners of record; and

AMENDED PRELIMINARY PLAN APPROVAL

Beechtree Estates

P08-053 Series: 4


Page 9 of 9

3. All plat plan notes.

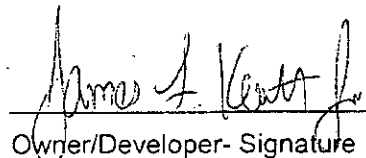
Subject to the conditions as stated herein, preliminary approval is hereby granted and is valid for two years. Request for an extension must be submitted in writing at least 60 days prior to the expiration of this approval. Final approval is contingent on the plan's compliance with all other State, County and Federal regulations.

The signed original of this letter, indicating concurrence by the owner/developer with the conditions as stated herein, must be returned within forty-five (45) days of the date of this approval.


Milton D. Davenport, Chief
Development Review

 12/17/08
Anthony S. McClure, Deputy Director
Deputy Director, Planning and Zoning

I hereby accept the conditions of this
preliminary plan approval

 12/19/08
Owner/Developer - Signature Date

James F. Knott Jr.
Owner/Developer - Print Name

MDD:ASM: EV/dm

cc: P&Z; DPW; Health Dept.;
SHA; P&R; Engineer; Owner

Exhibit E
Special Tax Obligation

Beechtree Estates
Harford County, Maryland

Exhibit E-I: Calculation of Maximum Special Taxes - Total Gross Annual Obligations

Tax Year Beginning	Bond Year Ending	Gross Debt Service	Administrative Expenses	Total Gross Annual Obligations
1-Jul-10	1-Jul-11	\$602,438	\$30,000	\$632,438
1-Jul-11	1-Jul-12	\$963,900	\$30,600	\$994,500
1-Jul-12	1-Jul-13	\$963,900	\$31,212	\$995,112
1-Jul-13	1-Jul-14	\$963,900	\$31,836	\$995,736
1-Jul-14	1-Jul-15	\$963,900	\$32,473	\$996,373
1-Jul-15	1-Jul-16	\$966,900	\$33,122	\$1,000,022
1-Jul-16	1-Jul-17	\$986,675	\$33,785	\$1,020,460
1-Jul-17	1-Jul-18	\$1,005,950	\$34,461	\$1,040,411
1-Jul-18	1-Jul-19	\$1,026,650	\$35,150	\$1,061,800
1-Jul-19	1-Jul-20	\$1,046,550	\$35,853	\$1,082,403
1-Jul-20	1-Jul-21	\$1,067,575	\$36,570	\$1,104,145
1-Jul-21	1-Jul-22	\$1,088,500	\$37,301	\$1,125,801
1-Jul-22	1-Jul-23	\$1,111,175	\$38,047	\$1,149,222
1-Jul-23	1-Jul-24	\$1,133,300	\$38,808	\$1,172,108
1-Jul-24	1-Jul-25	\$1,155,725	\$39,584	\$1,195,309
1-Jul-25	1-Jul-26	\$1,179,225	\$40,376	\$1,219,601
1-Jul-26	1-Jul-27	\$1,202,500	\$41,184	\$1,243,684
1-Jul-27	1-Jul-28	\$1,226,325	\$42,007	\$1,268,332
1-Jul-28	1-Jul-29	\$1,250,400	\$42,847	\$1,293,247
1-Jul-29	1-Jul-30	\$1,275,425	\$43,704	\$1,319,129
1-Jul-30	1-Jul-31	\$1,301,025	\$44,578	\$1,345,603
1-Jul-31	1-Jul-32	\$1,327,825	\$45,470	\$1,373,295
1-Jul-32	1-Jul-33	\$1,354,375	\$46,379	\$1,400,754
1-Jul-33	1-Jul-34	\$1,381,300	\$47,307	\$1,428,607
1-Jul-34	1-Jul-35	\$1,409,150	\$48,253	\$1,457,403
1-Jul-35	1-Jul-36	\$1,436,400	\$49,218	\$1,485,618
1-Jul-36	1-Jul-37	\$1,465,600	\$50,203	\$1,515,803
1-Jul-37	1-Jul-38	\$1,495,075	\$51,207	\$1,546,282
1-Jul-38	1-Jul-39	\$1,525,225	\$52,231	\$1,577,456
1-Jul-39	1-Jul-40	\$1,553,375	\$53,275	\$1,606,650
Total		\$35,430,263	\$1,217,042	\$36,647,305

MuniCap, Inc. \SULTING\Clark-Turner\Special Tax Report\2.2.2010\Exhibit E Total Special Tax Obligation.xls\XIII

2-Feb-10

Beechtree Estates
Harford County, Maryland

Exhibit E-II: Calculation of Maximum Special Taxes - Gross Debt Service Coverage

Maximum adjusted gross annual debt service	\$975,000
Required debt service coverage	110%
Maximum special tax (2011 - 2012)	\$1,064,115

Tax Year Beginning	Bond Year Ending	Total Gross Annual Obligations (Schedule I)	Increase Factor	Adjusted Gross Annual Obligation	Maximum Special Tax	Gross Debt Service Coverage
1-Jul-10	1-Jul-11	\$632,438	1.00	\$632,438	\$1,043,250	173%
1-Jul-11	1-Jul-12	\$994,500	1.02	\$975,000	\$1,064,115	110%
1-Jul-12	1-Jul-13	\$995,112	1.04	\$956,471	\$1,085,397	113%
1-Jul-13	1-Jul-14	\$995,736	1.06	\$938,304	\$1,107,105	115%
1-Jul-14	1-Jul-15	\$996,373	1.08	\$920,495	\$1,129,247	117%
1-Jul-15	1-Jul-16	\$1,000,022	1.10	\$905,751	\$1,151,832	119%
1-Jul-16	1-Jul-17	\$1,020,460	1.13	\$906,139	\$1,174,869	119%
1-Jul-17	1-Jul-18	\$1,040,411	1.15	\$905,740	\$1,198,366	119%
1-Jul-18	1-Jul-19	\$1,061,800	1.17	\$906,236	\$1,222,334	119%
1-Jul-19	1-Jul-20	\$1,082,403	1.20	\$905,706	\$1,246,780	119%
1-Jul-20	1-Jul-21	\$1,104,145	1.22	\$905,783	\$1,271,716	119%
1-Jul-21	1-Jul-22	\$1,125,801	1.24	\$905,440	\$1,297,150	119%
1-Jul-22	1-Jul-23	\$1,149,222	1.27	\$906,154	\$1,323,093	119%
1-Jul-23	1-Jul-24	\$1,172,108	1.29	\$906,078	\$1,349,555	119%
1-Jul-24	1-Jul-25	\$1,195,309	1.32	\$905,895	\$1,376,546	119%
1-Jul-25	1-Jul-26	\$1,219,601	1.35	\$906,182	\$1,404,077	119%
1-Jul-26	1-Jul-27	\$1,243,684	1.37	\$905,956	\$1,432,159	119%
1-Jul-27	1-Jul-28	\$1,268,332	1.40	\$905,795	\$1,460,802	119%
1-Jul-28	1-Jul-29	\$1,293,247	1.43	\$905,479	\$1,490,018	119%
1-Jul-29	1-Jul-30	\$1,319,129	1.46	\$905,491	\$1,519,818	119%
1-Jul-30	1-Jul-31	\$1,345,603	1.49	\$905,553	\$1,550,215	119%
1-Jul-31	1-Jul-32	\$1,373,295	1.52	\$906,067	\$1,581,219	119%
1-Jul-32	1-Jul-33	\$1,400,754	1.55	\$906,063	\$1,612,843	119%
1-Jul-33	1-Jul-34	\$1,428,607	1.58	\$905,960	\$1,645,100	119%
1-Jul-34	1-Jul-35	\$1,457,403	1.61	\$906,099	\$1,678,002	119%
1-Jul-35	1-Jul-36	\$1,485,618	1.64	\$905,530	\$1,711,562	119%
1-Jul-36	1-Jul-37	\$1,515,803	1.67	\$905,812	\$1,745,793	119%
1-Jul-37	1-Jul-38	\$1,546,282	1.71	\$905,908	\$1,780,709	119%
1-Jul-38	1-Jul-39	\$1,577,456	1.74	\$906,050	\$1,816,324	119%
1-Jul-39	1-Jul-40	\$1,606,650	1.78	\$904,725	\$1,852,650	119%
Total		\$36,647,305			\$42,322,649	

MuniCap, Inc.

M:\CONSULTING\Clark-Turner\Special Tax Report\2.2.2010\Exhibit E Total Special Tax Obligation.xls\XIV

2-Feb-10

APPLICATION

To Request the Creation of a Special Taxing District,
the Levy of Special Taxes
on the Property in the Special Taxing District,
and the Issuance of Special Obligation Bonds

February 3, 2010

Harford County Office of the Treasurer
220 South Main Street
Bel Air, Maryland 21014
Attn: Mr. John R. Scotten, Jr., Treasurer

Dear Mr. Scotten:

This is an application requesting the creation of a special taxing district under Section 9-1301 of Article 24 of the Annotated Code of Maryland, as amended (the "Act").

1. **The Applicant:** This application is submitted by Beechtree Properties, LLC (the "Developer"), which is the contract purchaser of the membership interests of Stepney Road Holding, LLC (the "Owner"), and by the Owner of the parcel of land described in Exhibit A attached hereto.
2. **Ownership of Property:** The Owner warrants to Harford County, Maryland (the "County") that it is the sole owner of the real property located within the proposed boundaries of the Beechtree Estates District (hereinafter defined). The Developer joins in the execution of this application as it will hold one hundred percent of the membership interests in the Owner and will conduct the development of the property within the Beechtree Estates District.
3. **Proceedings Requested:**
 - a. Pursuant to the Act, the Developer and the Owner request that the County undertake proceedings under the Act to adopt any and all such resolutions, ordinance, and other actions under the Act as may be needed or necessary to create a special taxing district to be designated "Beechtree Estates Special Taxing District" (the "Beechtree Estates District"), or such other designation specified by the County, and to establish a special fund with respect to the Beechtree Estates District. Specifically, the Developer and the Owner request that the County (i) set a date for a public hearing for the creation of the Beechtree Estates District, (ii) publish notice of the public hearing in accordance with the County's customary procedures, (iii) retain any professionals necessary to assist the County with the proceedings, such as a bond counsel and bond underwriter, and (iv) authorize staff to work with the Developer and the Owner as may be required to prepare the necessary documents for the creation of the Beechtree Estates District.
 - b. Pursuant to the Act, the Developer and the Owner further request that the County undertake proceedings under the Act to adopt from time to time any and all such

ordinances, resolutions, executive orders and other actions under the Act as may be needed or necessary to issue special obligation bonds from time to time in the aggregate maximum amount described below in one or more series pursuant to the Act (including, without limitation, bonds to finance or refinance the completion of the improvements described herein and refunding bonds) for the Beechtree Estates development (collectively, the "Bonds") and to levy special taxes on the property in the Beechtree Estates District pursuant to the Act at the rates and in the amounts to be determined pursuant to a Rate and Method of Apportionment of Special Taxes to be developed and agreed to by the County, the Developer and the Owner prior to the initial issuance of the Bonds.

4. **Boundaries of the Beechtree Estates District:** The territory to be included in the boundaries of the Beechtree Estates District consists of that area indicated on the map of the proposed Beechtree Estates District attached hereto as Exhibit B. All of such property is located within a designated growth area as defined in the County's Master Plan and Land Use Element Plan and is not located in any of the County's rural villages.
5. **Purpose of the Beechtree Estates District:** The purpose of the Beechtree Estates District, the establishment of the special fund, the special taxes to be levied on the property in the Beechtree Estates District and the Bonds to be issued by the County on behalf of the Beechtree Estates District shall be to finance all or a portion of the purchase price, acquisition and installation expenses, costs of related construction and improvements and issuance costs of the facilities as described in Exhibit C attached hereto.
6. **The Bonds:** The Developer and the Owner request that the Bonds be issued by the County from time to time in one or more series (including, without limitation, bonds to finance or refinance the completion of the improvements described herein and refunding bonds) in an aggregate principal amount not to exceed \$14,000,000 and bear interest at a maximum net rate of interest not to exceed 9% after giving effect to any federal subsidy. The Developer and the Owner understand that any legislation providing for the creation of the Beechtree Estates District shall require that adequate debt service reserve funds be maintained for any series of Bonds issued in connection with the Beechtree Estates District.
7. The respective addresses of the Developer and the Owner for receiving notices and correspondence related to the proposed district are listed below the Developer's and the Owner's signatures, as applicable.
8. Attached hereto as Exhibit D is a schedule which lists the tax map number, parcel number and account number for the only parcel in the Beechtree Estates District.
9. By executing this application, the Developer and the Owner agree to all of the above.
10. The Developer and the Owner warrant to the County that their respective below-named officers are authorized to execute this application.

[Signatures Appear on Following Pages]

BEECHTREE PROPERTIES, LLC

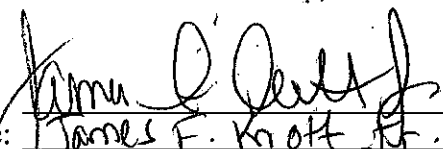
By: CT BEECHTREE, LLC, Managing Member

By:  (SEAL)
Clark Turner, Manager

Mailing Address:

Beechtree Properties, LLC
4685 Millenium Drive
Belcamp, Maryland 21017
Attn: Clark Turner

STEPNEY ROAD HOLDING, LLC

By:  (SEAL)
Name: James F. Knott Jr.
Title: Vice President

Mailing Address:

Stepney Road Holding, LLC
1 Texas Station Ct., Ste 200
Timonium, MD 21093
Attn: James F. Knott

BEECHTREE ESTATES SPECIAL TAXING DISTRICT

PARCEL TO BE INCLUDED IN THE BEECHTREE ESTATES DISTRICTMetes and Bounds Description

BEGINNING FOR THE SAME at a point on the Northerly Right-Of-Way Line of Maryland Route 7 (relocated) as shown on S.H.A., Plat No. 52975 conveyed by and described in an Agreed Inquisition dated March 8, 1995 from Stepney Road Holding Limited Partnership to the State of Maryland. Said point also being on the Westerly outline of the Land of the Baltimore and Ohio Railroad Company and in the 13th or South 48° 53' 37" West 2020.00 Feet Line of that tract or parcel of land conveyed by and described in a Deed dated July 17, 1989 from Paul H. Seward and Beata May Seward, his wife, by Paul H. Seward, her Attorney in fact, to Stepney Road Holding Limited Partnership and recorded among the Land Records of Harford County, Maryland, in Liber C.G.H. 1567, folio 557, running thence, leaving said land of the Baltimore and Ohio Railroad Company and binding on said Right-Of-Way line as shown on said Plat and also binding on said Right-Of-Way line as shown on S.H.A. Plat No. 52974 with bearings based on NAD 83 (1991) established by GPS observation the fifteen following courses and distances, as now surveyed, viz:

- (1) North 77° 46' 55" West 94.76'
- (2) North 64° 12' 09" West 100.50'
- (3) North 58° 29' 31" West 150.00'
- (4) North 65° 56' 30" West 102.13'
- (5) North 69° 31' 13" West 108.28'
- (6) North 78° 41' 00" West 214.77'
- (7) South 87° 20' 04" West 213.55'
- (8) South 76° 01' 23" West 213.55'
- (9) South 58° 01' 02" West 265.04'
- (10) South 51° 50' 55" West 100.00'
- (11) South 50° 12' 43" West 350.15'
- (12) South 51° 56' 15" West 199.18'
- (13) South 36° 37' 42" West 51.26'

- (14) By a curve to the right with a radius of 1880.00' for an Arc distance of 147.64'; said curve being subtended by a Chord bearing South 56° 38' 30" West 147.61'
- (15) South 65° 27' 00" West 39.22' to a point in the Northerly Outline of the land of David B. and Mary F. Gonzales. Said point also being in the 27th or North 60° 27' 40" West 273.17 feet line of said conveyance from Paul H. Seward and Beata May Seward, his wife, by Paul H. Seward her Attorney in fact, to Stepney Road Holding Limited Partnership, running thence, leaving said Right-Of-Way and binding on the said Northerly Outlines of Gonzales and on the remainder of the said 27' line and on a portion of the 28th line of the said conveyance.
- (16) North 60° 28' 34" West 270.98' to a point on the Easterly Right-Of-Way line of Stepney Road as shown on Plats entitled "Stepney Road Improvements" and recorded among the Land Records of Harford County in Plat Book "Public Roads of Harford County", G.R.G. No. 2, Folio 33, 34, 35, 36, and 37, conveyed by and described in a Deed dated February 17, 1961 from Paul H. Seward and Beata May Seward, his wife to the County Commissioners of Harford County and recorded among the Land Records of Harford County in Liber G.R.G. 566, Folio 493. Running thence and binding on said Right-Of-Way line the 21 following courses and distances;
 - (17) North 09° 24' 00" East 91.14'
 - (18) North 07° 13' 29" East 371.84'
 - (19) North 03° 33' 32" East 401.79'
 - (20) North 07° 58' 39" East 106.20'
 - (21) North 12° 56' 55" East 819.86'
 - (22) North 10° 14' 17" East 312.19'
 - (23) North 06° 22' 17" East 312.15'
 - (24) North 08° 28' 07" East 210.73'
 - (25) North 09° 41' 04" East 501.72'
 - (26) North 12° 09' 20" East 158.00'
 - (27) North 16° 29' 57" East 162.78'

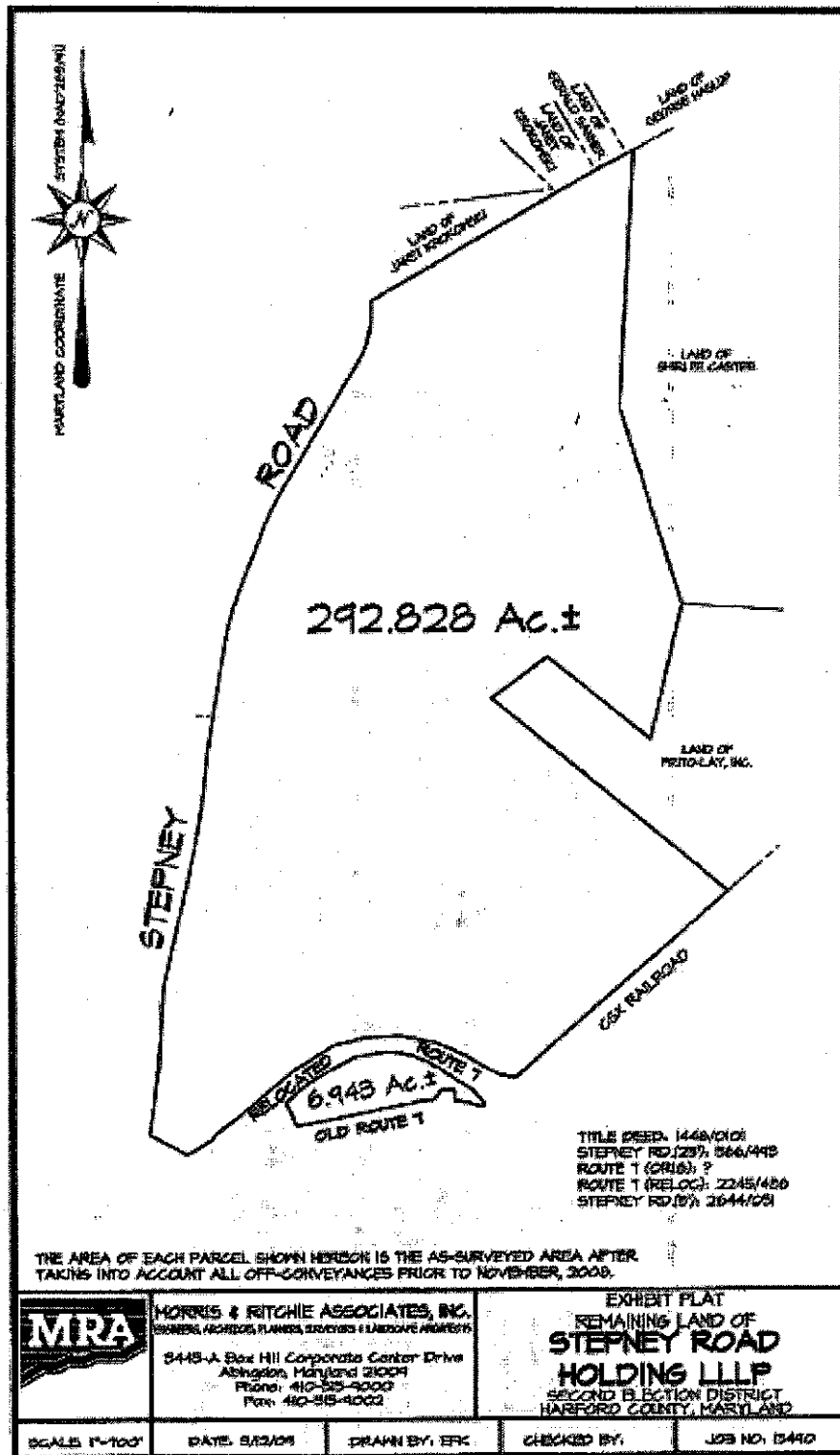
- (28) North 20° 53' 08" East 159.16'
- (29) North 21° 49' 27" East 321.27'
- (30) North 26° 09' 43" East 160.19'
- (31) North 30° 11' 44" East 164.98'
- (32) North 30° 52' 00" East 876.63'
- (33) North 23° 01' 58" East 57.14'
- (34) North 17° 04' 50" East 54.49'
- (35) North 11° 58' 03" East 59.08'
- (36) North 06° 09' 24" East 57.63'
- (37) North 00° 42' 07" West 114.50' to a point in the first or North 59° 42' 2" East 36.34 feet line of the first mentioned conveyance herein. Said point also being in the Southerly outlines of the land of Janet M. Krokowski. Running thence and binding on said Southerly outline and on said conveyance the thirteen following courses and distances;
- (38) North 59° 41' 40" East 7.58' to a concrete monument heretofore set
- (39) North 59° 41' 40" East 1337.13' to an iron pin heretofore set
- (40) North 60° 18' 23" East 289.21' to a stone heretofore set
- (41) North 62° 20' 08" East 213.63' to a stone heretofore set
- (42) North 62° 58' 26" East 46.24' to a concrete monument heretofore set
- (43) South 02° 59' 13" West 899.75' to a concrete monument heretofore set
- (44) South 02° 58' 32" West 704.16" to a concrete monument heretofore set
- (45) South 17° 34' 13" East 1283.90' to a concrete monument heretofore set
- (46) South 13° 19' 02" West 875.47' to an iron pin heretofore set in a stone pile
- (47) North 51° 07' 40" West 825.00' to a concrete monument heretofore set
- (48) South 53° 17' 47" West 437.43' to a concrete monument heretofore set
- (49) South 50° 38' 51" East 1910.60' to a concrete monument heretofore set

(50) South 48° 52' 44" West 1782.75' to the point of beginning.

BEING ALL OF THE PROPERTY conveyed to Stepney Road Holding Limited Partnership by Paul H. Seward and Beata May Seward, his wife, by Paul H. Seward, her Attorney in Fact pursuant to a Deed dated November 30, 1987 and recorded among the Land Records of Harford County, Maryland in Liber C.G.H. No. 1448, folio 101 as corrected and confirmed by a Confirmatory Deed dated July 17, 1989 and recorded among the aforesaid Land Records in Liber C.G.H. 1567, folio 557.

SAYING AND EXCEPTING a parcel of land containing 0.659 acre which Stepney Road Holding Limited Partnership conveyed to Harford County, Maryland pursuant to a Deed dated February 20, 1998 and recorded among the aforesaid Land Records in Liber C.G.H. 2644, folio 51.

BEECHTREE ESTATES SPECIAL TAXING DISTRICT

MAP OF THE BEECHTREE ESTATES DISTRICT

BEECHTREE ESTATES SPECIAL TAXING DISTRICT

DESCRIPTION OF THE PUBLIC FACILITIES

The public facilities shown below are proposed to be constructed or acquired with proceeds from bonds issued for the benefit of the Beechtree Estates District. The public facilities shall include the attributable costs of engineering, design, planning and coordination, together with the expenses related to the creation of the Beechtree Estates District and the issuance of bonds, including any underwriter's discount, appraisals, reserve fund, capitalized interest, bond counsel and other legal fees, financial or other consultant's fees and expenses, bond and official statement printing, and all other expenses incidental thereto. The public facilities shall be constructed by the Developer and conveyed to the County and the State of Maryland, as appropriate, whether or not in their completed states, pursuant to plans and specifications approved by such entities. The County and the State of Maryland, as appropriate, will own all public facilities acquired with bond proceeds.

PUBLIC FACILITIES

- (1) Earthwork and other site prep;
- (2) Construction of water and sewer lines, related appurtenances, and acquisition of easements therefor;
- (3) Construction of and improvements of roads and acquisition of land therefor;
- (4) Construction and installation of storm water management areas;
- (5) Construction and installation of storm drains;
- (6) Related grading, engineering and stakeout; lighting; landscaping; identifying monuments; signage; traffic signals and traffic studies therefor; sidewalks;
- (7) Certain impact fees and infrastructure tap fees; and
- (8) Such other buildings or equipment to be owned by the County or other public improvements as the County and the Developer mutually agree.

BEECHTREE ESTATES SPECIAL TAXING DISTRICT

TAX PARCEL

DESCRIPTION	PARCEL NUMBER	PROPERTY NO. / TAX ACCOUNT
An approximately 299.771 acre parcel of land more particularly described in Exhibit A hereto and commonly known as: 612 S. Stepney Road Aberdeen, MD 21001 Harford County	Map 58, Parcel 59	02-082594

BILL NO. 10-10
As Amended

Exhibit H

(Harford County Fiscal Impact Analysis Prepared By MuniCap, Inc.)

[see attached]

BILL NO. 10-10
As Amended

BILL NO. 10-10

As Amended

Section 11

(Hearings Committee Report: Analysis of Proposed Legislation)

(Not Attached)

BILL NO. 10-10

As Amended

**Beechtree Estates
Harford County, Maryland**

**Exhibit E
Harford County Fiscal Impact Analysis**

Prepared By:

**MuniCap, Inc.
Public Finance**

March 15, 2010

Beechtree Estates Harford County, Maryland

Harford County Fiscal Impact Analysis

Table of Contents

Bond Analysis

I.	Sources and Uses of Funds and Bond Issuance Assumptions	1
II.	Public Improvements	2
III.	Debt Service Projections	3
IV.	Details of the Capitalized Interest Account	4
V.	Details of the Improvement Fund	5

Tax Increment Financing Projections

VI.	Summary of the Proposed Development	6
VII.	Projected Value (Comparables)	7
VIII.	Projected Absorption	8
IX.	Projected Assessed Value	9
X.	Base Value	10
XI.	Projected Real Property Tax Increment Revenues	11
XII.	Projected Payment of Debt Service and Debt Service Coverage	12

One-time Permit Fee Revenues

XIII.	Projected Building Permit Fee Revenues	13
XIV.	Projected Certificate of Use and Occupancy Fee Revenues	14
XV.	Projected Plumbing Permit Fee Revenues	15
XVI.	Projected Gas Permit Fee Revenues	16
XVII.	Projected Electrical Permit Fee Revenues	17
XVIII.	Total Projected One-time Permit Fee Revenues to Harford County - 30 Years	18

Beechtree Estates Harford County, Maryland

Harford County Fiscal Impact Analysis

Table of Contents

One-time Revenues

XIX.	Projected County Personal Income Tax Revenues (Temporary - Construction)	19
-------------	---	-----------

Annual Revenues & Expenditures

XX.	Projection of Annual Income Tax Revenues from Residents	20
XXI.	Projected Transfer Tax Revenues	21
XXII.	Projected Recordation Tax Revenues	22
XXIII.	Additional Revenues to Harford County	
	A. Annual	23
	B. 30 Years	24
XXIV.	Total Projected Revenues to Harford County - One-time and Annual Revenue:	25
XXV.	Additional Expenditures to Harford County	
	A. Annual	27
	B. 30 Years	28
XXVI.	Total Projected Revenues Versus Total Projected Expenditures	29

Appendices

Appendix A: Revenues and Costs to Harford County (Allocation Factors)	A.1
Appendix B: Projected Residents	B.1
Appendix C: Projected Students	C.1
Appendix D: Jobs and Indirect Impacts	
D-1: Vertical Construction	D.1
D-2: Infrastructure Construction	D.2

**Beechtree Estates
Harford County, Maryland**

Bond Analysis

Beechtree Estates
Harford County, Maryland

Schedule I: Sources and Uses of Funds and Bond Issuance Assumptions

	Proceeds	Percent
Sources of funds:		
Bond proceeds	\$12,840,000	99.9%
Interest earned in the improvement fund (see Schedule V)	\$10,406	0.1%
Total sources of funds	\$12,850,406	100.0%
Total uses of funds:		
Public improvement costs (see Schedule II)	\$10,000,000	77.8%
Issuance costs	\$250,000	1.9%
Underwriter's discount	\$257,008	2.0%
Capitalized interest (see Schedule IV)	\$1,058,975	8.2%
Reserve fund	\$1,284,000	10.0%
Rounding	\$423	0.0%
Total uses of funds	\$12,850,406	100.0%

Assumptions:

Maturity	30 years
Interest only	5 years
Amortization	25 years

Bond coupon rate:	7.50%
-------------------	-------

Reinvestment rates:

Reserve fund	2.50%
Improvement fund	0.50%
Capitalized interest account	0.50%

Date bonds issued	1-Oct-10
-------------------	----------

Dates payments due:

Interest	January 1 and July 1
Principal	July 1

Capitalized interest:

Interest funded through	1-Oct-11
Months interest funded	12

MuniCap, Inc.

'-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\I

15-Mar-10

Beechtree Estates
Harford County, Maryland

Schedule II: Public Improvements

Item	TIF Qualified Public Improvements
<i>Site Construction</i>	
Clearing and grubbing	\$117,810
Sediment and erosion control	\$166,320
Storm water management	\$124,740
Storm water management conversion	\$77,616
Excavation	\$451,836
Sewer	\$4,610,000
Water	\$3,276,000
Storm drain	\$5,386,500
Soil cement	\$1,575,086
Curb and gutter	\$1,161,090
Stone base	\$1,099,980
Paving	\$2,138,850
Round-about	\$69,300
Sub-total	\$20,255,128
<i>Off-site Road Improvements</i>	
MD 7 and Stepney Road	\$425,000
Site access	\$350,000
MD 543 and MD 7	\$180,000
US 40 and MD 7	\$745,000
MD 22 and Aldino - Stepney Road	\$850,000
Box culvert and stream crossing	\$450,000
Sub-total	\$3,000,000
<i>Off-site Sewer Extension</i>	
24" sewer interceptor line - Gray's Run	\$700,000
<i>Land and Soft Costs</i>	
Engineering	\$525,000
Legal	\$96,250
Fencing, sidewalks, street signs	\$480,000
Land	\$5,775,000
Sub-total	\$6,876,250
Sub-total all public improvements	\$30,831,378
Less: other sources of funds	(\$20,831,378)
Total public improvements financed	\$10,000,000

MuniCap, Inc.

"TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\II

15-Mar-10

Beechtree Estates
Harford County, Maryland

Schedule III: Debt Service Projections

Date	Principal	Interest Rate	Interest	Gross Debt Service Payments	Gross Annual Debt Service Payments	Capitalized Interest	Reserve Fund Income	District Operations	Net Annual Debt Service
1-Oct-10									
1-Jan-11			\$120,375	\$120,375		(\$112,350)	(\$8,025)		
1-Jul-11	\$0	7.50%	\$481,500	\$481,500	\$601,875	(\$485,450)	(\$16,050)	\$20,000	\$0
1-Jan-12			\$481,500	\$481,500		(\$465,450)	(\$16,050)		
1-Jul-12	\$0	7.50%	\$481,500	\$481,500	\$963,000		(\$16,050)	\$20,400	\$485,850
1-Jan-13			\$481,500	\$481,500			(\$16,050)		
1-Jul-13	\$0	7.50%	\$481,500	\$481,500	\$963,000		(\$16,050)	\$20,808	\$951,708
1-Jan-14			\$481,500	\$481,500			(\$16,050)		
1-Jul-14	\$0	7.50%	\$481,500	\$481,500	\$963,000		(\$16,050)	\$21,224	\$952,124
1-Jan-15			\$481,500	\$481,500			(\$16,050)		
1-Jul-15	\$0	7.50%	\$481,500	\$481,500	\$963,000		(\$16,050)	\$21,649	\$952,549
1-Jan-16			\$481,500	\$481,500			(\$16,050)		
1-Jul-16	\$3,000	7.50%	\$481,500	\$484,500	\$966,000		(\$16,050)	\$22,082	\$955,982
1-Jan-17			\$481,388	\$481,388			(\$16,050)		
1-Jul-17	\$23,000	7.50%	\$481,388	\$504,388	\$985,775		(\$16,050)	\$22,523	\$976,198
1-Jan-18			\$480,525	\$480,525			(\$16,050)		
1-Jul-18	\$44,000	7.50%	\$480,525	\$524,525	\$1,005,050		(\$16,050)	\$22,974	\$995,924
1-Jan-19			\$478,875	\$478,875			(\$16,050)		
1-Jul-19	\$67,000	7.50%	\$478,875	\$545,875	\$1,024,750		(\$16,050)	\$23,433	\$1,016,083
1-Jan-20			\$476,363	\$476,363			(\$16,050)		
1-Jul-20	\$93,000	7.50%	\$476,363	\$569,363	\$1,045,725		(\$16,050)	\$23,902	\$1,037,527
1-Jan-21			\$472,875	\$472,875			(\$16,050)		
1-Jul-21	\$121,000	7.50%	\$472,875	\$593,875	\$1,066,750		(\$16,050)	\$24,380	\$1,059,030
1-Jan-22			\$468,338	\$468,338			(\$16,050)		
1-Jul-22	\$151,000	7.50%	\$468,338	\$619,338	\$1,087,675		(\$16,050)	\$24,867	\$1,080,442
1-Jan-23			\$462,675	\$462,675			(\$16,050)		
1-Jul-23	\$184,000	7.50%	\$462,675	\$646,675	\$1,109,350		(\$16,050)	\$25,365	\$1,102,615
1-Jan-24			\$455,775	\$455,775			(\$16,050)		
1-Jul-24	\$220,000	7.50%	\$455,775	\$675,775	\$1,131,550		(\$16,050)	\$25,872	\$1,125,322
1-Jan-25			\$447,525	\$447,525			(\$16,050)		
1-Jul-25	\$260,000	7.50%	\$447,525	\$707,525	\$1,155,050		(\$16,050)	\$26,390	\$1,149,340
1-Jan-26			\$437,775	\$437,775			(\$16,050)		
1-Jul-26	\$302,000	7.50%	\$437,775	\$739,775	\$1,177,550		(\$16,050)	\$26,917	\$1,172,367
1-Jan-27			\$426,450	\$426,450			(\$16,050)		
1-Jul-27	\$348,000	7.50%	\$426,450	\$774,450	\$1,200,900		(\$16,050)	\$27,456	\$1,196,256
1-Jan-28			\$413,400	\$413,400			(\$16,050)		
1-Jul-28	\$399,000	7.50%	\$413,400	\$812,400	\$1,225,800		(\$16,050)	\$28,005	\$1,221,705
1-Jan-29			\$398,438	\$398,438			(\$16,050)		
1-Jul-29	\$453,000	7.50%	\$398,438	\$851,438	\$1,249,875		(\$16,050)	\$28,565	\$1,246,340
1-Jan-30			\$381,450	\$381,450			(\$16,050)		
1-Jul-30	\$512,000	7.50%	\$381,450	\$893,450	\$1,274,900		(\$16,050)	\$29,136	\$1,271,936
1-Jan-31			\$362,250	\$362,250			(\$16,050)		
1-Jul-31	\$576,000	7.50%	\$362,250	\$938,250	\$1,300,500		(\$16,050)	\$29,719	\$1,298,119
1-Jan-32			\$340,650	\$340,650			(\$16,050)		
1-Jul-32	\$645,000	7.50%	\$340,650	\$985,650	\$1,326,300		(\$16,050)	\$30,313	\$1,324,513
1-Jan-33			\$316,463	\$316,463			(\$16,050)		
1-Jul-33	\$720,000	7.50%	\$316,463	\$1,036,463	\$1,352,925		(\$16,050)	\$30,920	\$1,351,745
1-Jan-34			\$289,463	\$289,463			(\$16,050)		
1-Jul-34	\$801,000	7.50%	\$289,463	\$1,090,463	\$1,379,925		(\$16,050)	\$31,538	\$1,379,363
1-Jan-35			\$259,425	\$259,425			(\$16,050)		
1-Jul-35	\$889,000	7.50%	\$259,425	\$1,148,425	\$1,407,850		(\$16,050)	\$32,169	\$1,407,919
1-Jan-36			\$226,088	\$226,088			(\$16,050)		
1-Jul-36	\$983,000	7.50%	\$226,088	\$1,209,088	\$1,435,175		(\$16,050)	\$32,812	\$1,435,887
1-Jan-37			\$189,225	\$189,225			(\$16,050)		
1-Jul-37	\$1,086,000	7.50%	\$189,225	\$1,275,225	\$1,464,450		(\$16,050)	\$33,468	\$1,465,818
1-Jan-38			\$148,500	\$148,500			(\$16,050)		
1-Jul-38	\$1,197,000	7.50%	\$148,500	\$1,345,500	\$1,494,000		(\$16,050)	\$34,138	\$1,496,038
1-Jan-39			\$103,613	\$103,613			(\$16,050)		
1-Jul-39	\$1,316,000	7.50%	\$103,613	\$1,419,613	\$1,523,225		(\$16,050)	\$34,820	\$1,525,945
1-Jan-40			\$54,263	\$54,263			(\$16,050)		
1-Jul-40	\$1,447,000	7.50%	\$54,263	\$1,501,263	\$1,555,525		(\$1,300,050)	\$35,517	\$274,942
Total	\$12,840,000		\$22,560,450	\$35,400,450	\$35,400,450	(\$1,063,250)	(\$2,238,975)	\$811,362	\$32,909,587

MuniCap, Inc.

M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\III

15-Mar-10

***Beechtree Estates
Harford County, Maryland***

Schedule IV: Details of the Capitalized Interest Account

	Beginning Balance	Deposit from Bond Proceeds	Disbursement			Reserve	District Operations	Net Withdrawal		Interest Earnings	Reinvestment Rate	Ending Balance
			Debt Service	for Service				From Capitalized Interest Account				
1-Oct-10	\$0	\$1,058,975										\$1,058,975
1-Jan-11	\$1,058,975		(\$120,375)		\$8,025		\$112,350		\$1,324	0.50%		\$947,949
1-Jul-11	\$947,949		(\$481,500)		\$16,050	(\$20,000)	\$485,450		\$2,370	0.50%		\$464,869
1-Oct-11	\$464,869		(\$481,500)		\$16,050		\$465,450		\$581	0.50%		\$0
Total		\$1,058,975	(\$1,083,375)		\$40,125	(\$20,000)	\$1,063,250		\$4,275			

MuniCap, Inc.

M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\IV

15-Mar-10

Beechtree Estates
Harford County, Maryland

Schedule V: Details of the Improvement Fund

Date	Beginning Balance	Deposit from Bond Proceeds	Disbursement for Construction	Interest Earnings	Reinvestment Rate	Ending Balance
1-Oct-10	\$0	\$9,989,594	\$0	\$0	0.50%	\$9,989,594
1-Nov-10	\$9,989,594	\$0	(\$5,000,000)	\$4,162	0.50%	\$4,993,756
1-Dec-10	\$4,993,756	\$0	(\$1,000,000)	\$2,081	0.50%	\$3,995,837
1-Jan-11	\$3,995,837	\$0	(\$1,000,000)	\$1,665	0.50%	\$2,997,502
1-Feb-11	\$2,997,502	\$0	(\$1,000,000)	\$1,249	0.50%	\$1,998,751
1-Mar-11	\$1,998,751	\$0	(\$1,000,000)	\$833	0.50%	\$999,584
1-Apr-11	\$999,584	\$0	(\$1,000,000)	\$416	0.50%	\$0
1-May-11	\$0	\$0	\$0	\$0	0.50%	\$0
1-Jun-11	\$0	\$0	\$0	\$0	0.50%	\$0
1-Jul-11	\$0	\$0	\$0	\$0	0.50%	\$0
1-Aug-11	\$0	\$0	\$0	\$0	0.50%	\$0
1-Sep-11	\$0	\$0	\$0	\$0	0.50%	\$0
1-Oct-11	\$0	\$0	\$0	\$0	0.50%	\$0
1-Nov-11	\$0	\$0	\$0	\$0	0.50%	\$0
1-Dec-11	\$0	\$0	\$0	\$0	0.50%	\$0
1-Jan-12	\$0	\$0	\$0	\$0	0.50%	\$0
1-Feb-12	\$0	\$0	\$0	\$0	0.50%	\$0
1-Mar-12	\$0	\$0	\$0	\$0	0.50%	\$0
Total		\$9,989,594	(\$10,000,000)	\$10,406		

MuniCap, Inc. M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls/V
15-Mar-10

**Beechtree Estates
Harford County, Maryland**

Tax Increment Financing Projections

***Beechtree Estates
Harford County, Maryland***

Schedule VI: Summary of the Proposed Development¹

Property Type	Area ¹		Assessed Value ²		Total Assessed Value	Year Completed
	Units	SF Per Unit	Total SF	Per SF	Per Unit	
<i>Residential</i>						
Single family	371	2,800	1,038,800	\$144	\$404,445	2019
Town homes	397	1,700	674,900	\$157	\$266,672	2017
Total projected property value	768		1,713,700		\$255,917,854	

MuniCap, Inc.

M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\VI 15-Mar-10

¹Provided by Beechtree Properties, LLC.

²Comparable properties researched to estimate assessed value. See Schedule VII.

Beechtree Estates
Harford County, Maryland

Schedule VII: Projected Value (Comparables)

Type	PIN #	Year Built	Address	County	Assessed Value	Area (Square Feet)	Assessed Value	
							Per Unit	Per SF
<i>Residential</i>								
Single family								
Cokesbury Manor	1354612	2005	3407 Tewkesbury Road	Harford	\$394,660	3,068	\$394,660	\$129
Cokesbury Manor	1361996	2005	3401 Tewkesbury Road	Harford	\$390,830	2,966	\$390,830	\$132
Cokesbury Manor	1362003	2006	3400 Tewkesbury Road	Harford	\$389,640	2,740	\$389,640	\$142
Pomeroy Manor	1352393	2005	1415 Bankert Terrace	Harford	\$444,590	2,664	\$444,590	\$167
Pomeroy Manor	1351788	2004	1401 Bankert Terrace	Harford	\$442,230	3,056	\$442,230	\$145
Pomeroy Manor	1352407	2005	1413 Bankert Terrace	Harford	\$430,570	2,942	\$430,570	\$146
Pomeroy Manor	1352067	2005	1402 Skillman Court	Harford	\$424,670	3,198	\$424,670	\$133
Greenfields	1374788	2008	407 Severn Way	Harford	\$464,330	2,741	\$464,330	\$169
Greenfields	1374788	2008	407 Severn Way	Harford	\$390,800	2,741	\$390,800	\$143
Sub-total single family							\$419,147	\$144
Town homes								
Riverside South	1346040	2004	330 Kestrel Drive	Harford	\$242,900	1,548	\$242,900	\$157
Riverside South	1345966	2004	314 Kestrel Drive	Harford	\$241,120	1,452	\$241,120	\$166
Riverside South	1346857	2005	217 Kestrel Drive	Harford	\$241,090	1,560	\$241,090	\$155
Hollywood Development	1369547	2007	4705 Thistle Hill Drive	Harford	\$299,360	1,922	\$299,360	\$156
Hollywood Development	1369342	2007	4743 Thistle Hill Drive	Harford	\$299,360	1,922	\$299,360	\$156
Hollywood Development	1369334	2007	4745 Thistle Hill Drive	Harford	\$306,530	1,922	\$306,530	\$159
Eagles Landing	1346903	2005	107 Bald Eagle Way	Harford	\$241,530	1,584	\$241,530	\$152
Eagles Landing	1346857	2005	217 Kestrel Drive	Harford	\$241,090	1,560	\$241,090	\$155
Sub-total town homes							\$264,123	\$157

MuniCap, Inc.

M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\VII
15-Mar-10

Beechtree Estates
Harford County, Maryland

Schedule VIII: Projected Absorption¹

Development	Single Family		Town Homes		Total Residential Units	
Year						
Ending	Annual	Cumulative	Annual	Cumulative	Annual	Cumulative
31-Dec-09	0	0	0	0	0	0
31-Dec-10	0	0	0	0	0	0
31-Dec-11	33	33	56	56	89	89
31-Dec-12	38	71	67	123	105	194
31-Dec-13	41	112	60	183	101	295
31-Dec-14	39	151	89	272	128	423
31-Dec-15	40	191	31	303	71	494
31-Dec-16	40	231	59	362	99	593
31-Dec-17	38	269	35	397	73	666
31-Dec-18	51	320	0	397	51	717
31-Dec-19	51	371	0	397	51	768
31-Dec-20	0	371	0	397	0	768
31-Dec-21	0	371	0	397	0	768
31-Dec-22	0	371	0	397	0	768
31-Dec-23	0	371	0	397	0	768
31-Dec-24	0	371	0	397	0	768
31-Dec-25	0	371	0	397	0	768
31-Dec-26	0	371	0	397	0	768
31-Dec-27	0	371	0	397	0	768
31-Dec-28	0	371	0	397	0	768
31-Dec-29	0	371	0	397	0	768
31-Dec-30	0	371	0	397	0	768
31-Dec-31	0	371	0	397	0	768
31-Dec-32	0	371	0	397	0	768
31-Dec-33	0	371	0	397	0	768
31-Dec-34	0	371	0	397	0	768
31-Dec-35	0	371	0	397	0	768
31-Dec-36	0	371	0	397	0	768
31-Dec-37	0	371	0	397	0	768
31-Dec-38	0	371	0	397	0	768
Total	371		397		768	

MuniCap, Inc.

M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls]VIII

15-Mar-10

¹Provided by Beechtree Properties, LLC.

Beechtree Estates
Harford County, Maryland

Schedule IX: Projected Assessed Value

Development Year	Tax Year	Inflation Factor ¹	Single Family			Town Homes			Total	
			Units	Value Per Unit ²	Projected Assessed Value	Units	Value Per Unit ²	Projected Assessed Value	Residential Assessed Value	
31-Dec-09	1-Jul-10	100.0%	0	\$404,445	\$0	0	\$266,672	\$0	\$0	
31-Dec-10	1-Jul-11	100.0%	0	\$404,445	\$0	0	\$266,672	\$0	\$0	
31-Dec-11	1-Jul-12	103.0%	33	\$416,579	\$13,747,099	56	\$274,672	\$15,381,616	\$29,128,715	
31-Dec-12	1-Jul-13	106.1%	71	\$429,076	\$30,464,405	123	\$282,912	\$34,798,159	\$65,262,564	
31-Dec-13	1-Jul-14	109.3%	112	\$441,948	\$49,498,221	183	\$291,399	\$53,326,057	\$102,824,279	
31-Dec-14	1-Jul-15	112.6%	151	\$455,207	\$68,736,236	272	\$300,141	\$81,638,406	\$150,374,641	
31-Dec-15	1-Jul-16	115.9%	191	\$468,863	\$89,552,845	303	\$309,145	\$93,671,066	\$183,223,911	
31-Dec-16	1-Jul-17	119.4%	231	\$482,929	\$111,556,589	362	\$318,420	\$115,267,966	\$226,824,555	
31-Dec-17	1-Jul-18	123.0%	269	\$497,417	\$133,805,126	397	\$327,972	\$130,205,039	\$264,010,165	
31-Dec-18	1-Jul-19	126.7%	320	\$512,339	\$163,948,585	397	\$337,812	\$134,111,190	\$298,059,775	
31-Dec-19	1-Jul-20	130.5%	371	\$527,710	\$195,780,228	397	\$347,946	\$138,134,526	\$333,914,754	
31-Dec-20	1-Jul-21	134.4%	371	\$543,541	\$201,653,635	397	\$358,384	\$142,278,562	\$343,932,196	
31-Dec-21	1-Jul-22	138.4%	371	\$559,847	\$207,703,244	397	\$369,136	\$146,546,918	\$354,250,162	
31-Dec-22	1-Jul-23	142.6%	371	\$576,642	\$213,934,341	397	\$380,210	\$150,943,326	\$364,877,667	
31-Dec-23	1-Jul-24	146.9%	371	\$593,942	\$220,352,371	397	\$391,616	\$155,471,626	\$375,823,997	
31-Dec-24	1-Jul-25	151.3%	371	\$611,760	\$226,962,942	397	\$403,365	\$160,135,775	\$387,098,717	
31-Dec-25	1-Jul-26	155.8%	371	\$630,113	\$233,771,831	397	\$415,466	\$164,939,848	\$398,711,678	
31-Dec-26	1-Jul-27	160.5%	371	\$649,016	\$240,784,986	397	\$427,930	\$169,888,043	\$410,673,029	
31-Dec-27	1-Jul-28	165.3%	371	\$668,487	\$248,008,535	397	\$440,767	\$174,984,684	\$422,993,220	
31-Dec-28	1-Jul-29	170.2%	371	\$688,541	\$255,448,791	397	\$453,990	\$180,234,225	\$435,683,016	
31-Dec-29	1-Jul-30	175.4%	371	\$709,197	\$263,112,255	397	\$467,610	\$185,641,252	\$448,753,507	
31-Dec-30	1-Jul-31	180.6%	371	\$730,473	\$271,005,623	397	\$481,639	\$191,210,489	\$462,216,112	
31-Dec-31	1-Jul-32	186.0%	371	\$752,388	\$279,135,791	397	\$496,088	\$196,946,804	\$476,082,595	
31-Dec-32	1-Jul-33	191.6%	371	\$774,959	\$287,509,865	397	\$510,970	\$202,855,208	\$490,365,073	
31-Dec-33	1-Jul-34	197.4%	371	\$798,208	\$296,135,161	397	\$526,299	\$208,940,864	\$505,076,025	
31-Dec-34	1-Jul-35	203.3%	371	\$822,154	\$305,019,216	397	\$542,088	\$215,209,090	\$520,228,306	
31-Dec-35	1-Jul-36	209.4%	371	\$846,819	\$314,169,792	397	\$558,351	\$221,665,363	\$535,835,155	
31-Dec-36	1-Jul-37	215.7%	371	\$872,223	\$323,594,886	397	\$575,102	\$228,315,324	\$551,910,210	
31-Dec-37	1-Jul-38	222.1%	371	\$898,390	\$333,302,733	397	\$592,355	\$235,164,784	\$568,467,516	
31-Dec-38	1-Jul-39	228.8%	371	\$925,342	\$343,301,815	397	\$610,125	\$242,219,727	\$585,521,542	

MuniCap, Inc.

M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\IX
15-Mar-10

¹Assumes 3% inflation factor. Represents the net change in market value and tax rates.

²See Schedule VI.

***Beechtree Estates
Harford County, Maryland***

Schedule X: Base Value¹

Map	Parcel	Owner	Address	Acreage	Total Tax Value
58	59	Stepney Road Holding, LLC	612 S. Stepney Road	299.77	\$16,332,500

MuniCap, Inc. M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\X
15-Mar-10

¹Provided by Beechtree Properties, LLC.

Beechtree Estates
Harford County, Maryland

Schedule XI: Projected Real Property Tax Increment Revenues

Tax Year	Bond Year	Assessed Value ¹	Less: Base Value ²	Total Incremental Value	Harford County Tax Rate (Per \$100) ³	Projected Tax Revenues	Available For Debt Service	Tax Revenues Available to For Debt Service
Beginning	Ending							
1-Jul-10	1-Jul-11	\$0	(\$16,332,500)	\$0	\$1.064	\$0	100%	\$0
1-Jul-11	1-Jul-12	\$0	(\$16,332,500)	\$0	\$1.064	\$0	100%	\$0
1-Jul-12	1-Jul-13	\$29,128,715	(\$16,332,500)	\$12,796,215	\$1.064	\$136,152	100%	\$136,152
1-Jul-13	1-Jul-14	\$65,262,564	(\$16,332,500)	\$48,930,064	\$1.064	\$520,616	100%	\$520,616
1-Jul-14	1-Jul-15	\$102,824,279	(\$16,332,500)	\$86,491,779	\$1.064	\$920,273	100%	\$920,273
1-Jul-15	1-Jul-16	\$150,374,641	(\$16,332,500)	\$134,042,141	\$1.064	\$1,426,208	100%	\$1,426,208
1-Jul-16	1-Jul-17	\$183,223,911	(\$16,332,500)	\$166,891,411	\$1.064	\$1,775,725	100%	\$1,775,725
1-Jul-17	1-Jul-18	\$226,824,555	(\$16,332,500)	\$210,492,055	\$1.064	\$2,239,635	100%	\$2,239,635
1-Jul-18	1-Jul-19	\$264,010,165	(\$16,332,500)	\$247,677,665	\$1.064	\$2,635,290	100%	\$2,635,290
1-Jul-19	1-Jul-20	\$298,059,775	(\$16,332,500)	\$281,727,275	\$1.064	\$2,997,578	100%	\$2,997,578
1-Jul-20	1-Jul-21	\$333,914,754	(\$16,332,500)	\$317,582,254	\$1.064	\$3,379,075	100%	\$3,379,075
1-Jul-21	1-Jul-22	\$343,932,196	(\$16,332,500)	\$327,599,696	\$1.064	\$3,485,661	100%	\$3,485,661
1-Jul-22	1-Jul-23	\$354,250,162	(\$16,332,500)	\$337,917,662	\$1.064	\$3,595,444	100%	\$3,595,444
1-Jul-23	1-Jul-24	\$364,877,667	(\$16,332,500)	\$348,545,167	\$1.064	\$3,708,521	100%	\$3,708,521
1-Jul-24	1-Jul-25	\$375,823,997	(\$16,332,500)	\$359,491,497	\$1.064	\$3,824,990	100%	\$3,824,990
1-Jul-25	1-Jul-26	\$387,098,717	(\$16,332,500)	\$370,766,217	\$1.064	\$3,944,953	100%	\$3,944,953
1-Jul-26	1-Jul-27	\$398,711,678	(\$16,332,500)	\$382,379,178	\$1.064	\$4,068,514	100%	\$4,068,514
1-Jul-27	1-Jul-28	\$410,673,029	(\$16,332,500)	\$394,340,529	\$1.064	\$4,195,783	100%	\$4,195,783
1-Jul-28	1-Jul-29	\$422,993,220	(\$16,332,500)	\$406,660,720	\$1.064	\$4,326,870	100%	\$4,326,870
1-Jul-29	1-Jul-30	\$435,683,016	(\$16,332,500)	\$419,350,516	\$1.064	\$4,461,889	100%	\$4,461,889
1-Jul-30	1-Jul-31	\$448,753,507	(\$16,332,500)	\$432,421,007	\$1.064	\$4,600,960	100%	\$4,600,960
1-Jul-31	1-Jul-32	\$462,216,112	(\$16,332,500)	\$445,883,612	\$1.064	\$4,744,202	100%	\$4,744,202
1-Jul-32	1-Jul-33	\$476,082,595	(\$16,332,500)	\$459,750,095	\$1.064	\$4,891,741	100%	\$4,891,741
1-Jul-33	1-Jul-34	\$490,365,073	(\$16,332,500)	\$474,032,573	\$1.064	\$5,043,707	100%	\$5,043,707
1-Jul-34	1-Jul-35	\$505,076,025	(\$16,332,500)	\$488,743,525	\$1.064	\$5,200,231	100%	\$5,200,231
1-Jul-35	1-Jul-36	\$520,228,306	(\$16,332,500)	\$503,895,806	\$1.064	\$5,361,451	100%	\$5,361,451
1-Jul-36	1-Jul-37	\$535,835,155	(\$16,332,500)	\$519,502,655	\$1.064	\$5,527,508	100%	\$5,527,508
1-Jul-37	1-Jul-38	\$551,910,210	(\$16,332,500)	\$535,577,710	\$1.064	\$5,698,547	100%	\$5,698,547
1-Jul-38	1-Jul-39	\$568,467,516	(\$16,332,500)	\$552,135,016	\$1.064	\$5,874,717	100%	\$5,874,717
1-Jul-39	1-Jul-40	\$585,521,542	(\$16,332,500)	\$569,189,042	\$1.064	\$6,056,171	100%	\$6,056,171
Total						\$104,642,411		\$104,642,411

MuniCorp, Inc.

M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\XI
15-Mar-10

¹See Schedule IX.

²See Schedule X.

³Represents the Harford County tax rate for fiscal year beginning July 1, 2009. Source: Maryland State Department of Assessments and Taxation.

Beechtree Estates
Harford County, Maryland

Schedule XII: Projected Payment of Debt Service and Debt Service Coverage

Tax Year	Bond Year	Inflation Factor	Net Annual Debt Service	Incremental Real Property Tax Revenues	Surplus/ (Deficit)	Special Tax	Net Surplus/ (Deficit)	Cumulative Surplus	Debt Service Coverage	
									Tax Increment Revenues	All Revenues
1-Jul-10	1-Jul-11	100.0%	\$0	\$0	\$0	\$0	\$0	\$0	NA	NA
1-Jul-11	1-Jul-12	100.0%	\$485,850	\$0	(\$485,850)	\$485,850	\$0	\$0	0%	100%
1-Jul-12	1-Jul-13	103.0%	\$951,708	\$136,152	(\$815,556)	\$815,556	\$0	\$0	14%	100%
1-Jul-13	1-Jul-14	106.1%	\$952,124	\$520,616	(\$431,508)	\$431,508	\$0	\$0	55%	100%
1-Jul-14	1-Jul-15	109.3%	\$952,549	\$920,273	(\$32,276)	\$32,276	\$0	\$0	97%	100%
1-Jul-15	1-Jul-16	112.6%	\$955,982	\$1,426,208	\$470,227	\$0	\$470,227	\$470,227	149%	149%
1-Jul-16	1-Jul-17	115.9%	\$976,198	\$1,775,725	\$799,526	\$0	\$799,526	\$799,526	182%	182%
1-Jul-17	1-Jul-18	119.4%	\$995,924	\$2,239,635	\$1,243,712	\$0	\$1,243,712	\$1,243,712	225%	225%
1-Jul-18	1-Jul-19	123.0%	\$1,016,083	\$2,635,290	\$1,619,207	\$0	\$1,619,207	\$1,619,207	259%	259%
1-Jul-19	1-Jul-20	126.7%	\$1,037,527	\$2,997,578	\$1,960,051	\$0	\$1,960,051	\$1,960,051	289%	289%
1-Jul-20	1-Jul-21	130.5%	\$1,059,030	\$3,379,075	\$2,320,045	\$0	\$2,320,045	\$2,320,045	319%	319%
1-Jul-21	1-Jul-22	134.4%	\$1,080,442	\$3,485,661	\$2,405,218	\$0	\$2,405,218	\$2,405,218	323%	323%
1-Jul-22	1-Jul-23	138.4%	\$1,102,615	\$3,595,444	\$2,492,829	\$0	\$2,492,829	\$2,492,829	326%	326%
1-Jul-23	1-Jul-24	142.6%	\$1,125,322	\$3,708,521	\$2,583,198	\$0	\$2,583,198	\$2,583,198	330%	330%
1-Jul-24	1-Jul-25	146.9%	\$1,149,340	\$3,824,990	\$2,675,650	\$0	\$2,675,650	\$2,675,650	333%	333%
1-Jul-25	1-Jul-26	151.3%	\$1,172,367	\$3,944,953	\$2,772,585	\$0	\$2,772,585	\$2,772,585	336%	336%
1-Jul-26	1-Jul-27	155.8%	\$1,196,256	\$4,068,514	\$2,872,259	\$0	\$2,872,259	\$2,872,259	340%	340%
1-Jul-27	1-Jul-28	160.5%	\$1,221,705	\$4,195,783	\$2,974,078	\$0	\$2,974,078	\$2,974,078	343%	343%
1-Jul-28	1-Jul-29	165.3%	\$1,246,340	\$4,326,870	\$3,080,530	\$0	\$3,080,530	\$3,080,530	347%	347%
1-Jul-29	1-Jul-30	170.2%	\$1,271,936	\$4,461,889	\$3,189,953	\$0	\$3,189,953	\$3,189,953	351%	351%
1-Jul-30	1-Jul-31	175.4%	\$1,298,119	\$4,600,960	\$3,302,841	\$0	\$3,302,841	\$3,302,841	354%	354%
1-Jul-31	1-Jul-32	180.6%	\$1,324,513	\$4,744,202	\$3,419,688	\$0	\$3,419,688	\$3,419,688	358%	358%
1-Jul-32	1-Jul-33	186.0%	\$1,351,745	\$4,891,741	\$3,539,996	\$0	\$3,539,996	\$3,539,996	362%	362%
1-Jul-33	1-Jul-34	191.6%	\$1,379,363	\$5,043,707	\$3,664,344	\$0	\$3,664,344	\$3,664,344	366%	366%
1-Jul-34	1-Jul-35	197.4%	\$1,407,919	\$5,200,231	\$3,792,312	\$0	\$3,792,312	\$3,792,312	369%	369%
1-Jul-35	1-Jul-36	203.3%	\$1,435,887	\$5,361,451	\$3,925,564	\$0	\$3,925,564	\$3,925,564	373%	373%
1-Jul-36	1-Jul-37	209.4%	\$1,465,818	\$5,527,508	\$4,061,690	\$0	\$4,061,690	\$4,061,690	377%	377%
1-Jul-37	1-Jul-38	215.7%	\$1,496,038	\$5,698,547	\$4,202,509	\$0	\$4,202,509	\$4,202,509	381%	381%
1-Jul-38	1-Jul-39	222.1%	\$1,525,945	\$5,874,717	\$4,348,771	\$0	\$4,348,771	\$4,348,771	385%	385%
1-Jul-39	1-Jul-40	228.8%	\$274,942	\$6,056,171	\$5,781,230	\$0	\$5,781,230	\$5,781,230	2203%	2203%
Total			\$32,909,587	\$104,642,411	\$71,732,825	\$1,765,191	\$73,498,015			

MuniCap, Inc.

M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xlsXII
15-Mar-10

Beechtree Estates
Harford County, Maryland

One-time Permit Fee Revenues

***Beechtree Estates
Harford County, Maryland***

Schedule XIII: Projected Building Permit Fee Revenues

Table 1: Total Building Permit Fee Revenue

Development Type	Square Feet Per Unit ¹	Building Permit Fee Per SF ²	Building Permit Fee Revenues Per Unit	Units ¹	Total Building Permit Fee Revenues
<i>Residential</i>					
Single family	2,800	\$0.06	\$168.00	371	\$62,328
Town homes	1,700	\$0.06	\$102.00	397	\$40,494
Total					\$102,822

MuniCap, Inc.

*M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\XIII
15-Mar-10*

¹Provided by Beechtree Properties, LLC.

²Based on information provided by Harford County, Department of Inspections, License and Permits.

***Beechtree Estates
Harford County, Maryland***

Schedule XIV: Projected Certificate of Use and Occupancy Fee Revenues

Development Type	Units ¹	Certificate of Use and Occupancy Fee ²	Total Certificate of Use and Occupancy Fee Revenues
<i>Residential</i>			
Single family	371	\$10	\$3,710
Town homes	397	\$10	\$3,970
Total			\$7,680

*MuniCap, Inc. Clark-Turner TIF Application 03-12-10 [Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls]XIV
15-Mar-10*

¹Provided by Beechtree Properties, LLC.

²Represents the flat fee charged per new residential unit. Based on information provided by Harford County, Department of Inspections, License and Permits.

Beechtree Estates
Harford County, Maryland

Schedule XV: Projected Plumbing Permit Fee Revenues¹

Table 1: Base Plumbing Permit Fee Revenues

Development Type	Units ¹	Base Plumbing Permit Fees Per Unit ²	Total Base Plumbing Permit Fee Revenues
<i>Residential</i>			
Single family	371	\$30	\$11,130
Town homes	397	\$30	\$11,910
Total			\$23,040

Table 2: Plumbing Permit Fee Revenues Per Fixture

Development Type	Fixtures Per Unit ³	Plumbing Permit Fee Per Fixture ²	Total Plumbing Permit Fixture Fees Per Unit	Total Units ¹	Total Plumbing Permit Fixture Revenues
<i>Residential</i>					
Single family	18	\$5	\$90	371	\$33,390
Town homes	18	\$5	\$90	397	\$35,730
Total					\$69,120

Table 3: Total Plumbing Permit Fee Revenues

Development Type	Total Base Plumbing Permit Fee Revenues	Total Plumbing Permit Fixture Revenues	Total Plumbing Permit Fee Revenues
<i>Residential</i>			
Single family	\$11,130	\$33,390	\$44,520
Town homes	\$11,910	\$35,730	\$47,640
Total	\$23,040	\$69,120	\$92,160

MuniCap, Inc. 03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\XV 15-Mar-10

¹Provided by Beechtree Properties, LLC. See Schedule VI.

²Based on information provided by Harford County, Department of Inspections, License and Permits.

³Based on conversations with the Harford County, Department of Inspections, License and Permits typical new homes have approximately 17 - 19 fixtures per unit.

Beechtree Estates
Harford County, Maryland

Schedule XVI: Projected Gas Permit Fee Revenues¹

Table 1: Base Gas Permit Fee Revenues

Development Type	Units ¹	Base Gas Permit Fees Per Unit ²	Total Base Gas Permit Fee Revenues
<i>Residential</i>			
Single family	371	\$40	\$14,840
Town homes	397	\$40	\$15,880
Total			\$30,720

Table 2: Gas Permit Fee Revenues Per Fixture

Development Type	Fixtures Per Unit ³	Gas Permit Fee Per Fixture ²	Total Gas Fixture Fees Per Unit	Total Units ¹	Total Gas Permit Fixture Revenues
<i>Residential</i>					
Single family	18	\$5	\$90	371	\$33,390
Town homes	18	\$5	\$90	397	\$35,730
Total					\$69,120

Table 3: Total Gas Permit Fee Revenues

Development Type	Total Base Gas Permit Fee Revenues	Total Gas Permit Fixture Revenues	Total Gas Permit Fee Revenues
<i>Residential</i>			
Single family	\$14,840	\$33,390	\$48,230
Town homes	\$15,880	\$35,730	\$51,610
Total	\$30,720	\$69,120	\$99,840

MuniCap, Inc.

3-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\XVI

15-Mar-10

¹Provided by Beechtree Properties, LLC. See Schedule VI.

²Based on information provided by Harford County, Department of Inspections, License and Permits. Represents the base fee per gas line.

³Based on conversations with the Harford County, Department of Inspections, License and Permits typical new homes have approximately 17 - 19 fixtures per unit.

***Beechtree Estates
Harford County, Maryland***

Schedule XVII: Projected Electrical Permit Fee Revenues

Development Type	Amps Per Household ¹	Base Electrical Permit Fees ²	Total Units ³	Total Electrical Permit Fee Revenues
<i>Residential</i>				
Single family	200.00	\$85	371	\$31,535
Town homes	200.00	\$85	397	\$33,745
Total				\$65,280
MuniCap, Inc. M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\XVII 15-Mar-10				

¹Based on conversations with the Harford County, Department of Inspections, License and Permits typical new homes use approximately 200 amps.

²Represents the base rate for residential units utilizing 200 to 400 amps. Based on information provided by Harford County, Department of Inspections, License and Permits.

³Provided by Beechtree Properties, LLC. See Schedule VI.

Beechtree Estates
Harford County, Maryland

Schedule XVIII: Total Projected One-time Inspection & Permit Fee Revenues to Harford County - 30 Years¹

Development Year	Tax Year	Bond Year	Inflation Factor ²	Building Permit Fees Revenues (Schedule XIII)	Certificate of Use and Occupancy Fee Revenues (Schedule XIV)	Plumbing Permit Fee Revenues (Schedule XV)	Gas Permit Fee Revenues (Schedule XVI)	Electrical Permit Fee Revenues (Schedule XVII)	Total Projected One-time Permit Fee Revenues
31-Dec-09	1-Jul-10	1-Jul-11	100%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-10	1-Jul-11	1-Jul-12	100%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-11	1-Jul-12	1-Jul-13	103%	\$11,594	\$917	\$11,000	\$11,917	\$7,792	\$43,220
31-Dec-12	1-Jul-13	1-Jul-14	106%	\$14,023	\$1,114	\$13,367	\$14,481	\$9,469	\$52,454
31-Dec-13	1-Jul-14	1-Jul-15	109%	\$14,214	\$1,104	\$13,244	\$14,348	\$9,381	\$52,290
31-Dec-14	1-Jul-15	1-Jul-16	113%	\$17,592	\$1,441	\$17,288	\$18,728	\$12,246	\$67,294
31-Dec-15	1-Jul-16	1-Jul-17	116%	\$11,456	\$823	\$9,877	\$10,700	\$6,996	\$39,852
31-Dec-16	1-Jul-17	1-Jul-18	119%	\$15,210	\$1,182	\$14,185	\$15,367	\$10,048	\$55,993
31-Dec-17	1-Jul-18	1-Jul-19	123%	\$12,242	\$898	\$10,774	\$11,672	\$7,631	\$43,217
31-Dec-18	1-Jul-19	1-Jul-20	127%	\$10,854	\$646	\$7,753	\$8,399	\$5,491	\$33,143
31-Dec-19	1-Jul-20	1-Jul-21	130%	\$11,179	\$665	\$7,985	\$8,651	\$5,656	\$34,137
31-Dec-20	1-Jul-21	1-Jul-22	134%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-21	1-Jul-22	1-Jul-23	138%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-22	1-Jul-23	1-Jul-24	143%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-23	1-Jul-24	1-Jul-25	147%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-24	1-Jul-25	1-Jul-26	151%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-25	1-Jul-26	1-Jul-27	156%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-26	1-Jul-27	1-Jul-28	160%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-27	1-Jul-28	1-Jul-29	165%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-28	1-Jul-29	1-Jul-30	170%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-29	1-Jul-30	1-Jul-31	175%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-30	1-Jul-31	1-Jul-32	181%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-31	1-Jul-32	1-Jul-33	186%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-32	1-Jul-33	1-Jul-34	192%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-33	1-Jul-34	1-Jul-35	197%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-34	1-Jul-35	1-Jul-36	203%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-35	1-Jul-36	1-Jul-37	209%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-36	1-Jul-37	1-Jul-38	216%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-37	1-Jul-38	1-Jul-39	222%	\$0	\$0	\$0	\$0	\$0	\$0
31-Dec-38	1-Jul-39	1-Jul-40	229%	\$0	\$0	\$0	\$0	\$0	\$0
Total				\$118,363	\$8,789	\$105,473	\$114,263	\$74,710	\$421,599

MuniCap, Inc. M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\XVIII 15-Mar-10

¹Rate in which revenues are generated are based on absorption shown on Schedule VIII.

²Assumes 3% inflation factor.

Beechtree Estates
Harford County, Maryland

One-time Revenues

***Beechtree Estates
Harford County, Maryland***

Schedule XIX: Projection of County Personal Income Tax Revenues (Temporary - Construction)

<i>Construction - Vertical</i>	
Construction costs of labor ¹	\$28,215,434
Percent of employees assumed to reside in Harford County ²	51.9%
Harford County direct income	\$14,643,810
Taxable direct income (69.2%) ³	\$10,207,138
Harford County income tax rate ⁴	3.06%
Direct Harford County income tax	\$312,338
<i>Construction - Infrastructure</i>	
Construction costs of labor ¹	\$14,649,317
Percent of employees assumed to reside in Harford County ²	51.9%
Harford County direct income	\$7,602,996
Taxable direct income (69.2%) ³	\$5,299,497
Harford County income tax rate ⁴	3.06%
Direct Harford County income tax	\$162,165
Total	\$474,503

MuniCap, Inc. M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\XIX
15-Mar-10

¹Costs of labor calculations were generated using IMPLAN software by MIG, Inc. See Appendix D.

²Represents the percentage of residents who live and work within Harford County. Based on information provided in Harford County, Fiscal Year 2010 Approved Capital Budget .

³ Assumes that only 69.2% percent of income will be taxable, due to deductions. See Schedule XX.

⁴Represents the 2008 Harford County local income tax rate as provided by the Comptroller of Maryland.

Beechtree Estates
Harford County, Maryland

Annual Revenues & Expenditures

***Beechtree Estates
Harford County, Maryland***

Schedule XX: Projection of Annual Income Tax Revenues from Residents

	Single Family	Town Home	Total
Market value ¹	\$404,445	\$266,672	-
Assumed down payment	10%	10%	-
Less: down payment	(\$40,445)	(\$26,667)	-
Loan amount	\$364,001	\$240,004	-
Loan interest rate ²	5.03%	5.03%	-
Mortgage payment ³	\$1,961	\$1,293	-
Interest portion	\$1,526	\$1,006	-
Property taxes ⁴	\$4,303	\$2,837	-
Insurance ⁵	\$64	\$64	-
Total monthly payment	\$6,328	\$4,194	-
Assumed affordability ratio ⁶	29%	29%	-
Monthly income	\$21,820	\$14,462	-
Gross income	\$261,835	\$173,539	-
Monthly mortgage deduction ⁷	\$5,829	\$3,843	-
Less: annual mortgage deduction ⁷	\$69,949	\$46,121	-
Less: standard state deduction ⁷	\$3,200	\$3,200	-
Number of exemptions ⁸	2.68	2.68	-
Less: adjustment of AGI ⁹	\$9,380	\$9,380	-
Total adjustments - net income	\$182,506	\$118,038	-
Harford County income tax rate ¹⁰	3.06%	3.06%	-
Sub-total income tax per unit ¹⁰	\$5,585	\$3,612	-
Total units ¹	371	397	-
Total income tax ¹¹	\$2,071,920	\$1,433,947	\$3,505,867

MuniCap, Inc.

M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\XX
15-Mar-10

¹See Schedule VI.

²Loan amount assumes thirty years and conventional, fixed-rate, mortgage loan rate for the week of October 29, 2009. Based on information provided in Weekly Primary Mortgage Market Survey as reported by Freddie Mac.

³Includes principal and interest. Assumes 30 year fixed rate mortgage loan.

⁴Represents the residential real property tax class subject to \$1.064/\$100. Based on information provided by Maryland State Department of Assessments and Taxation.

⁵Based on the 2005 national average annual insurance value of \$764 as estimated by *Insurance Journal*.

⁶Based on information provided in Federal Housing Administration Debt Ratio's Guidelines.

⁷Monthly mortgage deduction assumes first years mortgage interest and property tax payments. Standard state deduction assumes \$3,200 for 2008 tax year. Based on information provided by Maryland State Department of Assessments and Taxation. Assumes residents of for sale homes take the mortgage deduction rather the standard state deduction.

⁸Represents the average family household size for Harford County, Maryland. Source: U.S. Census Bureau 2000 estimate.

⁹Assumes 2008 exemption amount of \$3,500. Based on *Publication 501: Exemptions, Standard Deduction, and Filing Information for 2000*, Internal Revenue Service.

¹⁰Represents the 2008 Harford County local income tax rate as provided by the Comptroller of Maryland.

¹¹Figure assumes full build out and is expressed in current dollars.

Beechtree Estates
Harford County, Maryland

Schedule XXI: Projected Transfer Tax Revenues

Tax Year	Bond Year	Inflation Factor	Single Family				Town Home				Projected Market Value of Transfers	Total Units ²	Transfer Tax Rate ³	Projected Tax Revenues
			Beginning	Ending	Value Per Unit ¹	Initial Unit Sale	Resale ²	Unit	Value Per Unit ¹	Initial Unit Sale	Resale ²	Unit		
1-Jul-10	1-Jul-11	100%			\$404,445	0	0	0	\$266,672	0	0	0	1%	\$0
1-Jul-11	1-Jul-12	100%			\$404,445	0	0	0	\$266,672	0	0	0	1%	\$0
1-Jul-12	1-Jul-13	103%			\$416,579	33	0	33	\$274,672	56	0	56	1%	\$291,287
1-Jul-13	1-Jul-14	106%			\$429,076	38	5	43	\$282,912	67	8	75	1%	\$396,108
1-Jul-14	1-Jul-15	109%			\$441,948	41	7	48	\$291,399	60	12	72	1%	\$424,588
1-Jul-15	1-Jul-16	113%			\$455,207	39	10	49	\$300,141	89	18	107	1%	\$544,906
1-Jul-16	1-Jul-17	116%			\$468,863	40	13	53	\$309,145	31	20	51	1%	\$405,530
1-Jul-17	1-Jul-18	119%			\$482,929	40	15	55	\$318,420	59	24	83	1%	\$532,256
1-Jul-18	1-Jul-19	123%			\$497,417	38	18	56	\$327,972	35	26	61	1%	\$479,816
1-Jul-19	1-Jul-20	127%			\$512,339	51	21	72	\$337,812	0	26	26	1%	\$45,999,957
1-Jul-20	1-Jul-21	130%			\$527,710	51	25	76	\$347,946	0	26	26	1%	\$49,174,169
1-Jul-21	1-Jul-22	134%			\$543,541	0	25	25	\$347,946	0	26	26	1%	\$22,928,813
1-Jul-22	1-Jul-23	138%			\$559,847	0	25	25	\$369,136	0	26	26	1%	\$9,485,237
1-Jul-23	1-Jul-24	143%			\$576,642	0	25	25	\$380,210	0	26	26	1%	\$9,769,795
1-Jul-24	1-Jul-25	147%			\$593,942	0	25	25	\$391,616	0	26	26	1%	\$10,062,888
1-Jul-25	1-Jul-26	151%			\$611,760	0	25	25	\$403,365	0	26	26	1%	\$10,364,775
1-Jul-26	1-Jul-27	156%			\$630,113	0	25	25	\$415,466	0	26	26	1%	\$10,675,718
1-Jul-27	1-Jul-28	160%			\$649,016	0	25	25	\$427,930	0	26	26	1%	\$10,995,990
1-Jul-28	1-Jul-29	165%			\$668,487	0	25	25	\$440,767	0	26	26	1%	\$11,325,870
1-Jul-29	1-Jul-30	170%			\$688,541	0	25	25	\$453,990	0	26	26	1%	\$11,665,646
1-Jul-30	1-Jul-31	175%			\$709,197	0	25	25	\$467,610	0	26	26	1%	\$12,015,615
1-Jul-31	1-Jul-32	181%			\$730,473	0	25	25	\$481,639	0	26	26	1%	\$12,376,083
1-Jul-32	1-Jul-33	186%			\$752,388	0	25	25	\$496,088	0	26	26	1%	\$12,747,366
1-Jul-33	1-Jul-34	192%			\$774,959	0	25	25	\$510,970	0	26	26	1%	\$13,129,787
1-Jul-34	1-Jul-35	197%			\$798,208	0	25	25	\$526,299	0	26	26	1%	\$13,523,681
1-Jul-35	1-Jul-36	203%			\$822,154	0	25	25	\$542,088	0	26	26	1%	\$13,929,391
1-Jul-36	1-Jul-37	209%			\$846,819	0	25	25	\$558,351	0	26	26	1%	\$14,347,273
1-Jul-37	1-Jul-38	216%			\$872,223	0	25	25	\$575,102	0	26	26	1%	\$14,777,691
1-Jul-38	1-Jul-39	222%			\$898,390	0	25	25	\$592,355	0	26	26	1%	\$15,221,022
1-Jul-39	1-Jul-40	229%			\$925,342	0	25	25	\$610,125	0	26	26	1%	\$15,677,652
Total														\$9,785,231

MuniCap, Inc.

397

371

M:\CONSULTING\Clark-Turner\TF Application 03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\XXI
15-Mar-10

¹See Schedule VI.

²Assumes residential units are resold approximately every 15 years.

³Represents the fiscal year 2009 tax rate. Source: Maryland State Department of Assessments and Taxation.

**Beechtree Estates
Harford County, Maryland**

Schedule XXII: Projected Recordation Tax Revenues

Tax Year	Bond Year	Inflation Factor	Single Family				Town Home				Projected Market Value of Transfers	Total Projected Market Value	Recordation Tax Rate (Per \$1,000) ³	Total Projected Recordation Tax Revenues
			Value Per Unit ¹	Initial Unit Sale	Unit Resale ²	Total Units ²	Projected Market Value of Transfers	Value of Transfers	Unit ¹	Initial Unit Sale				
1-Jul-10	1-Jul-11	100%	\$404,445	0	0	0	0	\$266,672	0	0	0	\$0	\$6.60	\$0
1-Jul-11	1-Jul-12	100%	\$404,445	0	0	0	0	\$266,672	0	0	0	\$0	\$6.60	\$0
1-Jul-12	1-Jul-13	103%	\$416,579	33	0	33	33	\$274,672	56	0	56	\$15,381,616	\$6.60	\$192,250
1-Jul-13	1-Jul-14	106%	\$429,076	38	5	43	43	\$282,912	67	8	75	\$21,274,972	\$6.60	\$261,431
1-Jul-14	1-Jul-15	109%	\$441,948	41	7	48	48	\$291,399	60	12	72	\$21,039,024	\$6.60	\$280,228
1-Jul-15	1-Jul-16	113%	\$455,207	39	10	49	49	\$300,141	89	18	107	\$32,155,127	\$6.60	\$359,638
1-Jul-16	1-Jul-17	116%	\$468,863	40	13	53	53	\$309,145	31	24	55	\$15,828,246	\$6.60	\$267,650
1-Jul-17	1-Jul-18	119%	\$482,929	40	15	55	55	\$318,420	59	24	83	\$26,471,299	\$6.60	\$351,289
1-Jul-18	1-Jul-19	123%	\$497,417	38	18	56	56	\$327,972	35	26	61	\$20,159,370	\$6.60	\$316,678
1-Jul-19	1-Jul-20	127%	\$512,339	51	21	72	72	\$337,812	0	26	26	\$8,940,746	\$6.60	\$303,600
1-Jul-20	1-Jul-21	130%	\$527,710	51	25	76	76	\$347,946	0	26	26	\$9,208,968	\$6.60	\$324,550
1-Jul-21	1-Jul-22	134%	\$543,541	0	25	25	25	\$358,384	0	26	26	\$9,485,237	\$6.60	\$151,330
1-Jul-22	1-Jul-23	138%	\$559,847	0	25	25	25	\$369,136	0	26	26	\$9,769,795	\$6.60	\$155,870
1-Jul-23	1-Jul-24	143%	\$576,642	0	25	25	25	\$380,210	0	26	26	\$10,062,888	\$6.60	\$160,546
1-Jul-24	1-Jul-25	147%	\$593,942	0	25	25	25	\$391,616	0	26	26	\$10,364,775	\$6.60	\$165,363
1-Jul-25	1-Jul-26	151%	\$611,760	0	25	25	25	\$403,365	0	26	26	\$10,675,718	\$6.60	\$170,323
1-Jul-26	1-Jul-27	156%	\$630,113	0	25	25	25	\$415,466	0	26	26	\$10,995,990	\$6.60	\$175,433
1-Jul-27	1-Jul-28	160%	\$649,016	0	25	25	25	\$427,930	0	26	26	\$11,325,870	\$6.60	\$180,696
1-Jul-28	1-Jul-29	165%	\$668,487	0	25	25	25	\$440,767	0	26	26	\$11,665,646	\$6.60	\$186,117
1-Jul-29	1-Jul-30	170%	\$688,541	0	25	25	25	\$453,990	0	26	26	\$12,015,615	\$6.60	\$191,701
1-Jul-30	1-Jul-31	175%	\$709,197	0	25	25	25	\$467,610	0	26	26	\$12,376,083	\$6.60	\$197,452
1-Jul-31	1-Jul-32	181%	\$730,473	0	25	25	25	\$481,639	0	26	26	\$12,747,366	\$6.60	\$203,375
1-Jul-32	1-Jul-33	186%	\$752,388	0	25	25	25	\$496,088	0	26	26	\$13,129,787	\$6.60	\$209,476
1-Jul-33	1-Jul-34	192%	\$774,959	0	25	25	25	\$510,970	0	26	26	\$13,523,681	\$6.60	\$215,761
1-Jul-34	1-Jul-35	197%	\$798,208	0	25	25	25	\$526,299	0	26	26	\$13,929,391	\$6.60	\$222,233
1-Jul-35	1-Jul-36	203%	\$822,154	0	25	25	25	\$542,088	0	26	26	\$14,347,273	\$6.60	\$228,900
1-Jul-36	1-Jul-37	209%	\$846,819	0	25	25	25	\$558,351	0	26	26	\$14,777,691	\$6.60	\$235,767
1-Jul-37	1-Jul-38	216%	\$872,223	0	25	25	25	\$575,102	0	26	26	\$15,221,022	\$6.60	\$242,840
1-Jul-38	1-Jul-39	222%	\$898,390	0	25	25	25	\$592,355	0	26	26	\$15,677,652	\$6.60	\$250,126
1-Jul-39	1-Jul-40	229%	\$925,342	0	25	25	25	\$610,125	0	26	26	\$16,147,982	\$6.60	\$257,629

ManiCorp, Inc.

M:\CONSULTING\Clark-Turner\TIF Application 03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10) xde\XXVII 15-Mar-10

¹See Schedule VI.

²Assumes residential units are resold approximately every 15 years.

³Represents the fiscal year 2010 tax rate. Source: Maryland State Department of Assessments and Taxation.

***Beechtree Estates
Harford County, Maryland***

Schedule XXIII-A: Additional Revenues to Harford County - Annual

Annual Revenues ¹	Current County Revenues ²	Basis for Projecting Revenues ³	Current County Service Factors ⁴	Revenues by Factor (Per Resident) ³	Projected Increase in Service Factor ⁵	Total Additional Revenues ⁶
Miscellaneous						
Other taxes ⁷	\$4,901,344	per resident	249,753	\$19.62	2,058	\$40,392
Service charges	\$4,453,701	per resident	249,753	\$17.83	2,058	\$36,703
Fines and forfeitures	\$112,175	per resident	249,753	\$0.45	2,058	\$924
Miscellaneous revenues ⁸	\$461,025	per resident	249,753	\$1.85	2,058	\$3,799
Total projected annual revenues	\$9,928,245			\$39.75		\$81,819.68
<i>MuniCap, Inc. M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\XXIII-A 15-Mar-10</i>						

¹Not all sources of revenues are expected to be impacted. Only revenues projected to be impacted are included.

²Based on information provided in *Harford County, Maryland Approved Annual Operating Budget, Fiscal Year 2010*.

³Method of apportioning revenues: Per resident revenues are calculated by taking current revenues and apportioning them among current resident population.

⁴Represents the current statistics for the County. See Appendix A.

⁵Represents the proposed increase to the County as a result of the new development. See Appendix A.

⁶Represents the total increase in revenues as a result of the proposed development on an annual basis. Figures assume full build out and are expressed in current dollars.

⁷Represents revenues such as state shared taxes from 911 fees, admissions and amusements revenues, impact fees, and mobile fees. Based on information provided by the Harford County Treasury Department.

⁸Represents revenues such as rents and concessions, property sales, contributions, and other miscellaneous revenues. Based on information provided by the Harford County Treasury Department.

Beechtree Estates
Harford County, Maryland

Schedule XXIII-B: Additional Revenues to Harford County - 30 Years

Development					
Year Ending	Tax Year Beginning	Inflation Factor	Anticipated Residents ¹	Revenues Per Resident ²	Total Revenues
31-Dec-09	1-Jul-10	100%	0	\$39.75	\$0
31-Dec-10	1-Jul-11	100%	0	\$39.75	\$0
31-Dec-11	1-Jul-12	103%	239	\$40.94	\$9,766
31-Dec-12	1-Jul-13	106%	520	\$42.17	\$21,927
31-Dec-13	1-Jul-14	109%	791	\$43.44	\$34,342
31-Dec-14	1-Jul-15	113%	1,134	\$44.74	\$50,721
31-Dec-15	1-Jul-16	116%	1,324	\$46.08	\$61,011
31-Dec-16	1-Jul-17	119%	1,589	\$47.47	\$75,435
31-Dec-17	1-Jul-18	123%	1,785	\$48.89	\$87,263
31-Dec-18	1-Jul-19	127%	1,922	\$50.36	\$96,764
31-Dec-19	1-Jul-20	130%	2,058	\$51.87	\$106,756
31-Dec-20	1-Jul-21	134%	2,058	\$53.42	\$109,959
31-Dec-21	1-Jul-22	138%	2,058	\$55.03	\$113,258
31-Dec-22	1-Jul-23	143%	2,058	\$56.68	\$116,655
31-Dec-23	1-Jul-24	147%	2,058	\$58.38	\$120,155
31-Dec-24	1-Jul-25	151%	2,058	\$60.13	\$123,760
31-Dec-25	1-Jul-26	156%	2,058	\$61.93	\$127,472
31-Dec-26	1-Jul-27	160%	2,058	\$63.79	\$131,297
31-Dec-27	1-Jul-28	165%	2,058	\$65.70	\$135,235
31-Dec-28	1-Jul-29	170%	2,058	\$67.68	\$139,293
31-Dec-29	1-Jul-30	175%	2,058	\$69.71	\$143,471
31-Dec-30	1-Jul-31	181%	2,058	\$71.80	\$147,775
31-Dec-31	1-Jul-32	186%	2,058	\$73.95	\$152,209
31-Dec-32	1-Jul-33	192%	2,058	\$76.17	\$156,775
31-Dec-33	1-Jul-34	197%	2,058	\$78.45	\$161,478
31-Dec-34	1-Jul-35	203%	2,058	\$80.81	\$166,323
31-Dec-35	1-Jul-36	209%	2,058	\$83.23	\$171,312
31-Dec-36	1-Jul-37	216%	2,058	\$85.73	\$176,452
31-Dec-37	1-Jul-38	222%	2,058	\$88.30	\$181,745
31-Dec-38	1-Jul-39	229%	2,058	\$90.95	\$187,198
Total					\$3,305,807

MuniCap, Inc. I:\NG\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\XXIII-B

15-Mar-10

¹See Appendix B.

²See Schedule XXIII-A.

Beechtree Estates
Harford County, Maryland

Schedule XXIV Total Projected Revenues to Harford County - One-time and Annual Revenues

Tax Year	Bond Year	Inflation Factor	Real Property Tax Revenues		One-Time Revenues		Income Tax Revenues
			Base Tax Revenues ¹ (See Schedule XI)	Surplus Revenues ² (See Schedule XII)	Permit Revenues (See Schedule XVIII)	One-time Revenues (See Schedule XIX)	
1-Jul-10	1-Jul-11	100%	\$173,778	\$0	\$0	\$0	\$0
1-Jul-11	1-Jul-12	100%	\$173,778	\$0	\$0	\$54,988	\$0
1-Jul-12	1-Jul-13	103%	\$173,778	\$0	\$43,220	\$66,820	\$398,161
1-Jul-13	1-Jul-14	106%	\$173,778	\$0	\$52,454	\$66,202	\$891,988
1-Jul-14	1-Jul-15	109%	\$173,778	\$0	\$52,290	\$86,417	\$1,405,764
1-Jul-15	1-Jul-16	113%	\$173,778	\$470,227	\$67,294	\$49,372	\$2,054,887
1-Jul-16	1-Jul-17	116%	\$173,778	\$799,526	\$39,852	\$70,909	\$2,505,306
1-Jul-17	1-Jul-18	119%	\$173,778	\$1,243,712	\$55,993	\$53,855	\$3,101,661
1-Jul-18	1-Jul-19	123%	\$173,778	\$1,619,207	\$43,217	\$38,753	\$3,611,191
1-Jul-19	1-Jul-20	127%	\$173,778	\$1,960,051	\$33,143	\$39,916	\$4,080,327
1-Jul-20	1-Jul-21	130%	\$173,778	\$2,320,045	\$34,137	\$0	\$4,574,362
1-Jul-21	1-Jul-22	134%	\$173,778	\$2,405,218	\$0	\$0	\$4,711,592
1-Jul-22	1-Jul-23	138%	\$173,778	\$2,492,829	\$0	\$0	\$4,852,940
1-Jul-23	1-Jul-24	143%	\$173,778	\$2,583,198	\$0	\$0	\$4,998,528
1-Jul-24	1-Jul-25	147%	\$173,778	\$2,675,650	\$0	\$0	\$5,148,484
1-Jul-25	1-Jul-26	151%	\$173,778	\$2,772,585	\$0	\$0	\$5,302,939
1-Jul-26	1-Jul-27	156%	\$173,778	\$2,872,259	\$0	\$0	\$5,462,027
1-Jul-27	1-Jul-28	160%	\$173,778	\$2,974,078	\$0	\$0	\$5,625,888
1-Jul-28	1-Jul-29	165%	\$173,778	\$3,080,530	\$0	\$0	\$5,794,664
1-Jul-29	1-Jul-30	170%	\$173,778	\$3,189,953	\$0	\$0	\$5,968,504
1-Jul-30	1-Jul-31	175%	\$173,778	\$3,302,841	\$0	\$0	\$6,147,559
1-Jul-31	1-Jul-32	181%	\$173,778	\$3,419,688	\$0	\$0	\$6,331,986
1-Jul-32	1-Jul-33	186%	\$173,778	\$3,539,996	\$0	\$0	\$6,521,946
1-Jul-33	1-Jul-34	192%	\$173,778	\$3,664,344	\$0	\$0	\$6,717,604
1-Jul-34	1-Jul-35	197%	\$173,778	\$3,792,312	\$0	\$0	\$6,919,132
1-Jul-35	1-Jul-36	203%	\$173,778	\$3,925,564	\$0	\$0	\$7,126,706
1-Jul-36	1-Jul-37	209%	\$173,778	\$4,061,690	\$0	\$0	\$7,340,507
1-Jul-37	1-Jul-38	216%	\$173,778	\$4,202,509	\$0	\$0	\$7,560,723
1-Jul-38	1-Jul-39	222%	\$173,778	\$4,348,771	\$0	\$0	\$7,787,544
1-Jul-39	1-Jul-40	229%	\$173,778	\$5,781,230	\$0	\$0	\$8,021,171
Total			\$5,213,334	\$73,498,015	\$421,599	\$527,232	\$140,964,093

MuniCap, Inc.

M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\XXIV
15-Mar-10

¹Represents the real property base tax revenues not applied to debt service. See Schedule XI.
²Represents the portion of surplus real property tax revenues after debt service. See Schedule XII.

***Beechtree Estates
Harford County, Maryland***

Schedule XXIV: Total Projected Revenues to Harford County (continued)

Tax Year Beginning	Bond Year Ending	Inflation Factor	Transfer Tax Revenues (See Schedule XXI)	Recordation Tax Revenues (See Schedule XXII)	Additional Tax Revenues (See Schedule XXIII-B)	Total Projected Revenues to Harford County
1-Jul-10	1-Jul-11	100%	\$0	\$0	\$0	\$173,778
1-Jul-11	1-Jul-12	100%	\$0	\$0	\$0	\$228,766
1-Jul-12	1-Jul-13	103%	\$291,287	\$192,250	\$9,766	\$1,175,281
1-Jul-13	1-Jul-14	106%	\$396,108	\$261,431	\$21,927	\$1,863,888
1-Jul-14	1-Jul-15	109%	\$424,588	\$280,228	\$34,342	\$2,457,408
1-Jul-15	1-Jul-16	113%	\$544,906	\$359,638	\$50,721	\$3,770,823
1-Jul-16	1-Jul-17	116%	\$405,530	\$267,650	\$61,011	\$4,323,561
1-Jul-17	1-Jul-18	119%	\$532,256	\$351,289	\$75,435	\$5,587,977
1-Jul-18	1-Jul-19	123%	\$479,816	\$316,678	\$87,263	\$6,369,903
1-Jul-19	1-Jul-20	127%	\$460,000	\$303,600	\$96,764	\$7,147,578
1-Jul-20	1-Jul-21	130%	\$491,742	\$324,550	\$106,756	\$8,025,369
1-Jul-21	1-Jul-22	134%	\$229,288	\$151,330	\$109,959	\$7,781,166
1-Jul-22	1-Jul-23	138%	\$236,167	\$155,870	\$113,258	\$8,024,841
1-Jul-23	1-Jul-24	143%	\$243,252	\$160,546	\$116,655	\$8,275,958
1-Jul-24	1-Jul-25	147%	\$250,549	\$165,363	\$120,155	\$8,533,979
1-Jul-25	1-Jul-26	151%	\$258,066	\$170,323	\$123,760	\$8,801,451
1-Jul-26	1-Jul-27	156%	\$265,808	\$175,433	\$127,472	\$9,076,777
1-Jul-27	1-Jul-28	160%	\$273,782	\$180,696	\$131,297	\$9,359,519
1-Jul-28	1-Jul-29	165%	\$281,995	\$186,117	\$135,235	\$9,652,320
1-Jul-29	1-Jul-30	170%	\$290,455	\$191,701	\$139,293	\$9,953,684
1-Jul-30	1-Jul-31	175%	\$299,169	\$197,452	\$143,471	\$10,264,270
1-Jul-31	1-Jul-32	181%	\$308,144	\$203,375	\$147,775	\$10,584,747
1-Jul-32	1-Jul-33	186%	\$317,388	\$209,476	\$152,209	\$10,914,793
1-Jul-33	1-Jul-34	192%	\$326,910	\$215,761	\$156,775	\$11,255,171
1-Jul-34	1-Jul-35	197%	\$336,717	\$222,233	\$161,478	\$11,605,651
1-Jul-35	1-Jul-36	203%	\$346,819	\$228,900	\$166,323	\$11,968,090
1-Jul-36	1-Jul-37	209%	\$357,223	\$235,767	\$171,312	\$12,340,278
1-Jul-37	1-Jul-38	216%	\$367,940	\$242,840	\$176,452	\$12,724,242
1-Jul-38	1-Jul-39	222%	\$378,978	\$250,126	\$181,745	\$13,120,942
1-Jul-39	1-Jul-40	229%	\$390,348	\$257,629	\$187,198	\$14,811,353
Total			\$9,785,231	\$6,458,253	\$3,305,807	\$240,173,564

MuniCap, Inc.

M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\XXIV.2

15-Mar-10

Beechtree Estates
Harford County, Maryland

Schedule XXV-A: Additional Expenditures to Harford County - Annual

Annual Expenditures ¹	Current County Expenditures ²	Basis for Projecting Impacts ³	Current County Service Factors ⁴	Revenues by Factor		Projected Increase in Service Factor ⁵	Total Additional Expenditures ⁶
				Per Resident	Per Student \$1,000's of Tax Revenues		
General government							
Planning and zoning	\$3,623,853	per resident	249,753	\$14.51	-	2,058	\$29,865
Community services	\$7,348,057	per resident	249,753	\$29.42	-	2,058	\$60,556
Handicapped care centers	\$2,298,730	per resident	249,753	\$9.20	-	2,058	\$18,944
Government and community relations	\$535,114	per resident	249,753	\$2.14	-	2,058	\$4,410
Health and human services	\$4,079,918	per resident	249,753	\$16.34	-	2,058	\$33,623
Housing and community affairs	\$611,174	per resident	249,753	\$2.45	-	2,058	\$5,037
Council	\$2,181,756	per resident	249,753	\$8.74	-	2,058	\$17,980
Elections	\$1,355,040	per resident	249,753	\$5.43	-	2,058	\$11,167
Parks and recreation	\$9,172,977	per resident	249,753	\$36.73	-	2,058	\$75,595
Natural resources	\$608,358	per resident	249,753	\$2.44	-	2,058	\$5,014
Appropriation to towns	\$2,569,184	\$1,000's of tax revenues	\$251,430	-	\$10.22	\$6,056	\$61,884
Appropriation to state	\$1,555,905	\$1,000's of tax revenues	\$251,430	-	\$6.19	\$6,056	\$37,477
Public safety							
Sheriff	\$63,720,480	per resident	249,753	\$255.13	-	2,058	\$525,127
Emergency services	\$9,292,838	per resident	249,753	\$37.21	-	2,058	\$76,583
Volunteer fire companies	\$9,067,456	per resident	249,753	\$36.31	-	2,058	\$74,726
Inspections, licenses and permits	\$3,788,443	per resident	249,753	\$15.17	-	2,058	\$31,221
Environmental services	\$3,019,676	per resident	249,753	\$12.09	-	2,058	\$24,885
Water resources	\$977,709	per resident	249,753	\$3.91	-	2,058	\$8,057
Libraries	\$15,312,147	per resident	249,753	\$61.31	-	2,058	\$126,189
Education							
Harford County public schools	\$210,914,800	per student	39,135	-	\$5,389.42	366	\$1,974,143
Harford County Community College	\$15,939,806	per resident	249,753	\$63.82	-	2,058	\$131,362
Total projected annual expenditures	\$373,847,118			\$612.34	\$5,389.42	\$16.41	\$3,333,845

MuniCap, Inc. M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\XXV-A 15-Mar-10

¹Not all expenditures are expected to be impacted. Only expenditures projected to be impacted are included.

²Based on information provided in Harford County, Maryland Approved Operating Budget, Fiscal Year 2010.

³Method of apportioning expenditures: Per resident costs are calculated by taking current expenditures and apportioning them among current resident population. Per student costs are calculated by taking current expenditures and apportioning them among current student population. Per revenue costs are calculated by taking current expenditures and apportioning them among current \$1,000's of real property tax revenues.

⁴Represents the current statistics for the County. See Appendix A.

⁵Represents the proposed increase to the County as a result of the new development. See Appendix A.

⁶Represents the total increase in costs as a result of the proposed development on an annual basis. Figures assume full build out and are expressed in current dollars.

Beechtree Estates
Harford County, Maryland

Schedule XXV-B: Additional Expenditures to Harford County- 30 Years

Tax Year	Bond Year	Inflation Factor	Additional Projected Expenditures to Harford County					Costs Per			Total		Total Additional Projected Costs to Harford County
			Anticipated ¹	Cost	Per Resident ²	Total Per Resident Costs	Anticipated Students ³	Cost Per Student ²	Total Student Costs	Anticipated Revenues ⁴	\$1,000 of Revenue ²	Revenue Costs	
Beginning	Ending		Population										
1-Jul-10	1-Jul-11	100%	0	\$612	\$0	\$0	0	\$5,389	\$0	\$0	\$16.41	\$0	\$0
1-Jul-11	1-Jul-12	100%	0	\$612	\$0	\$0	0	\$5,389	\$0	\$0	\$16.41	\$0	\$0
1-Jul-12	1-Jul-13	103%	239	\$631	\$150,437	\$150,437	41	\$5,551	\$225,652	\$136,152	\$16.90	\$2,301	\$378,390
1-Jul-13	1-Jul-14	106%	520	\$650	\$337,756	\$337,756	88	\$5,718	\$505,667	\$320,616	\$17.41	\$9,062	\$852,485
1-Jul-14	1-Jul-15	109%	791	\$669	\$529,006	\$529,006	135	\$5,889	\$796,273	\$920,273	\$17.93	\$16,498	\$1,341,778
1-Jul-15	1-Jul-16	113%	1,134	\$689	\$781,297	\$781,297	192	\$6,066	\$1,165,550	\$1,426,208	\$18.47	\$26,336	\$1,973,183
1-Jul-16	1-Jul-17	116%	1,324	\$710	\$939,810	\$939,810	227	\$6,248	\$1,418,503	\$1,775,725	\$19.02	\$33,774	\$2,392,086
1-Jul-17	1-Jul-18	119%	1,589	\$731	\$1,161,997	\$1,161,997	273	\$6,435	\$1,755,857	\$2,239,635	\$19.59	\$43,875	\$2,961,728
1-Jul-18	1-Jul-19	123%	1,785	\$753	\$1,344,193	\$1,344,193	308	\$6,628	\$2,042,578	\$2,635,290	\$20.18	\$53,175	\$3,439,945
1-Jul-19	1-Jul-20	127%	1,922	\$776	\$1,490,540	\$1,490,540	337	\$6,827	\$2,302,320	\$2,997,578	\$20.78	\$62,299	\$3,855,160
1-Jul-20	1-Jul-21	130%	2,058	\$799	\$1,644,459	\$1,644,459	366	\$7,032	\$2,575,809	\$3,379,075	\$21.41	\$72,335	\$4,292,603
1-Jul-21	1-Jul-22	134%	2,058	\$823	\$1,693,793	\$1,693,793	366	\$7,243	\$2,653,083	\$3,485,661	\$22.05	\$76,855	\$4,423,731
1-Jul-22	1-Jul-23	138%	2,058	\$848	\$1,744,607	\$1,744,607	366	\$7,460	\$2,732,676	\$3,595,444	\$22.71	\$81,654	\$4,558,936
1-Jul-23	1-Jul-24	143%	2,058	\$873	\$1,796,945	\$1,796,945	366	\$7,684	\$2,814,656	\$3,708,521	\$23.39	\$86,749	\$4,698,350
1-Jul-24	1-Jul-25	147%	2,058	\$899	\$1,850,853	\$1,850,853	366	\$7,915	\$2,899,096	\$3,824,990	\$24.09	\$92,157	\$4,842,106
1-Jul-25	1-Jul-26	151%	2,058	\$926	\$1,906,379	\$1,906,379	366	\$8,152	\$2,986,069	\$3,944,953	\$24.82	\$97,899	\$4,990,346
1-Jul-26	1-Jul-27	156%	2,058	\$954	\$1,963,570	\$1,963,570	366	\$8,397	\$3,075,651	\$4,068,514	\$25.56	\$103,994	\$5,143,215
1-Jul-27	1-Jul-28	160%	2,058	\$983	\$2,022,477	\$2,022,477	366	\$8,648	\$3,167,920	\$4,195,783	\$26.33	\$110,465	\$5,300,862
1-Jul-28	1-Jul-29	165%	2,058	\$1,012	\$2,083,151	\$2,083,151	366	\$8,908	\$3,262,958	\$4,326,870	\$27.12	\$117,334	\$5,463,443
1-Jul-29	1-Jul-30	170%	2,058	\$1,042	\$2,145,646	\$2,145,646	366	\$9,175	\$3,360,847	\$4,461,889	\$27.93	\$124,625	\$5,631,117
1-Jul-30	1-Jul-31	175%	2,058	\$1,074	\$2,210,015	\$2,210,015	366	\$9,450	\$3,461,672	\$4,600,960	\$28.77	\$132,365	\$5,804,052
1-Jul-31	1-Jul-32	181%	2,058	\$1,106	\$2,276,316	\$2,276,316	366	\$9,734	\$3,565,522	\$4,744,202	\$29.63	\$140,580	\$5,982,418
1-Jul-32	1-Jul-33	186%	2,058	\$1,139	\$2,344,605	\$2,344,605	366	\$10,026	\$3,672,488	\$4,891,741	\$30.52	\$149,300	\$6,166,393
1-Jul-33	1-Jul-34	192%	2,058	\$1,173	\$2,414,943	\$2,414,943	366	\$10,327	\$3,782,662	\$5,043,707	\$31.44	\$158,557	\$6,356,163
1-Jul-34	1-Jul-35	197%	2,058	\$1,209	\$2,487,392	\$2,487,392	366	\$10,636	\$3,896,142	\$5,200,231	\$32.38	\$168,382	\$6,551,916
1-Jul-35	1-Jul-36	203%	2,058	\$1,245	\$2,562,013	\$2,562,013	366	\$10,956	\$4,013,027	\$5,361,451	\$33.35	\$178,810	\$6,753,850
1-Jul-36	1-Jul-37	209%	2,058	\$1,282	\$2,638,874	\$2,638,874	366	\$11,284	\$4,133,417	\$5,527,508	\$34.35	\$189,879	\$6,962,170
1-Jul-37	1-Jul-38	216%	2,058	\$1,321	\$2,718,040	\$2,718,040	366	\$11,623	\$4,257,420	\$5,698,547	\$35.38	\$201,627	\$7,177,087
1-Jul-38	1-Jul-39	222%	2,058	\$1,360	\$2,799,581	\$2,799,581	366	\$11,971	\$4,385,142	\$5,874,717	\$36.44	\$214,096	\$7,398,819
1-Jul-39	1-Jul-40	229%	2,058	\$1,401	\$2,883,569	\$2,883,569	366	\$12,331	\$4,516,697	\$6,056,171	\$37.54	\$227,330	\$7,627,595

Total					\$50,922,263				\$79,425,353			\$2,972,311	\$133,319,927
--------------	--	--	--	--	---------------------	--	--	--	---------------------	--	--	--------------------	----------------------

MuniCap, Inc.

M:\CONSULTING\Clark-Turner\TIF Application 03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\XXV-B
15-Mar-10

¹See Appendix B.

²See Schedule XXV-A.

³See Appendix C.

⁴Represents the projected increase in real property tax revenues after deducting base taxes. See Schedule XI

Beechtree Estates
Harford County, Maryland

Schedule XXVI: Total Projected Revenues Versus Total Projected Expenditures

Tax Year Beginning	Bond Year Ending	Inflation Factor	Total Gross County Revenues (Schedule XXIV)	Total County Expenditures (Schedule XXV-B)	Net County Fiscal Impacts
1-Jul-10	1-Jul-11	100%	\$173,778	\$0	\$173,778
1-Jul-11	1-Jul-12	100%	\$228,766	\$0	\$228,766
1-Jul-12	1-Jul-13	103%	\$1,175,281	(\$378,390)	\$796,892
1-Jul-13	1-Jul-14	106%	\$1,863,888	(\$852,485)	\$1,011,403
1-Jul-14	1-Jul-15	109%	\$2,457,408	(\$1,341,778)	\$1,115,630
1-Jul-15	1-Jul-16	113%	\$3,770,823	(\$1,973,183)	\$1,797,640
1-Jul-16	1-Jul-17	116%	\$4,323,561	(\$2,392,086)	\$1,931,475
1-Jul-17	1-Jul-18	119%	\$5,587,977	(\$2,961,728)	\$2,626,249
1-Jul-18	1-Jul-19	123%	\$6,369,903	(\$3,439,945)	\$2,929,958
1-Jul-19	1-Jul-20	127%	\$7,147,578	(\$3,855,160)	\$3,292,418
1-Jul-20	1-Jul-21	130%	\$8,025,369	(\$4,292,603)	\$3,732,766
1-Jul-21	1-Jul-22	134%	\$7,781,166	(\$4,423,731)	\$3,357,434
1-Jul-22	1-Jul-23	138%	\$8,024,841	(\$4,558,936)	\$3,465,905
1-Jul-23	1-Jul-24	143%	\$8,275,958	(\$4,698,350)	\$3,577,608
1-Jul-24	1-Jul-25	147%	\$8,533,979	(\$4,842,106)	\$3,691,873
1-Jul-25	1-Jul-26	151%	\$8,801,451	(\$4,990,346)	\$3,811,104
1-Jul-26	1-Jul-27	156%	\$9,076,777	(\$5,143,215)	\$3,933,562
1-Jul-27	1-Jul-28	160%	\$9,359,519	(\$5,300,862)	\$4,058,656
1-Jul-28	1-Jul-29	165%	\$9,652,320	(\$5,463,443)	\$4,188,877
1-Jul-29	1-Jul-30	170%	\$9,953,684	(\$5,631,117)	\$4,322,566
1-Jul-30	1-Jul-31	175%	\$10,264,270	(\$5,804,052)	\$4,460,218
1-Jul-31	1-Jul-32	181%	\$10,584,747	(\$5,982,418)	\$4,602,329
1-Jul-32	1-Jul-33	186%	\$10,914,793	(\$6,166,393)	\$4,748,400
1-Jul-33	1-Jul-34	192%	\$11,255,171	(\$6,356,163)	\$4,899,009
1-Jul-34	1-Jul-35	197%	\$11,605,651	(\$6,551,916)	\$5,053,736
1-Jul-35	1-Jul-36	203%	\$11,968,090	(\$6,753,850)	\$5,214,240
1-Jul-36	1-Jul-37	209%	\$12,340,278	(\$6,962,170)	\$5,378,108
1-Jul-37	1-Jul-38	216%	\$12,724,242	(\$7,177,087)	\$5,547,155
1-Jul-38	1-Jul-39	222%	\$13,120,942	(\$7,398,819)	\$5,722,123
1-Jul-39	1-Jul-40	229%	\$14,811,353	(\$7,627,595)	\$7,183,757
Total			\$240,173,564	(\$133,319,927)	\$106,853,637

MuniCap, Inc.

M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\XXVI

15-Mar-10

**Beechtree Estates
Harford County, Maryland**

APPENDICES

Beechtree Estates
Harford County, Maryland

Appendix A: Revenues and Costs to Harford County (Allocation Factors)

Harford County permanent population (2008 figures) ¹	249,753
Proposed new households	768
Persons per household ²	2.68
Expected population increase	2,058
Expected temporary employee increase	
Projected new temporary employees ³	865
Current students ¹	39,135
Projected student increase ⁴	366
Current countywide real property tax revenues to Harford County (per \$1,000) ¹	\$251,430
Projected increase in real property tax revenues to Harford County (per \$1,000) ⁵	\$6,056

MuniCap, Inc. *↳Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\Appendix A*
15-Mar-10

¹Based on information provided in the *Harford County, Fiscal Year 2010 Approved Annual Operating Budget* .

²Source: Harford County Economic Development.

³Jobs were calculated using IMPLAN software by MIG, Inc. See Appendix D.

⁴See Appendix C.

⁵Represents the increase in real property tax revenues resulting from the Beechtree Estates project. Revenues are shown per \$1,000.

Beechtree Estates
Harford County, Maryland

Appendix B: Projected Residents

Development Year Ending	Projected Resident Increase		
	Residential Units ¹	Residents Per Unit ²	Total Projected Residents
31-Dec-09	0	2.68	0
31-Dec-10	0	2.68	0
31-Dec-11	89	2.68	239
31-Dec-12	194	2.68	520
31-Dec-13	295	2.68	791
31-Dec-14	423	2.68	1,134
31-Dec-15	494	2.68	1,324
31-Dec-16	593	2.68	1,589
31-Dec-17	666	2.68	1,785
31-Dec-18	717	2.68	1,922
31-Dec-19	768	2.68	2,058
31-Dec-20	768	2.68	2,058
31-Dec-21	768	2.68	2,058
31-Dec-22	768	2.68	2,058
31-Dec-23	768	2.68	2,058
31-Dec-24	768	2.68	2,058
31-Dec-25	768	2.68	2,058
31-Dec-26	768	2.68	2,058
31-Dec-27	768	2.68	2,058
31-Dec-28	768	2.68	2,058
31-Dec-29	768	2.68	2,058
31-Dec-30	768	2.68	2,058
31-Dec-31	768	2.68	2,058
31-Dec-32	768	2.68	2,058
31-Dec-33	768	2.68	2,058
31-Dec-34	768	2.68	2,058
31-Dec-35	768	2.68	2,058
31-Dec-36	768	2.68	2,058
31-Dec-37	768	2.68	2,058
31-Dec-38	768	2.68	2,058

MuniCap, Inc. NSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xls\Appendix B
15-Mar-10

¹See Schedule VIII.

²Source: Harford County Economic Development.

**Beechtree Estates
Harford County, Maryland**

Appendix C: Projected Students¹

Development Year Ending	Projected Student Increase from Single Family Homes					Projected Student Increase from Town Homes					Total	
	Projected SF Homes ²	ES Per HH ¹	MS Per HH ¹	HS Per HH ¹	Total	Projected Town Homes ²	ES Per HH ¹	MS Per HH ¹	HS Per HH ¹	Total	Projected Students	Total
31-Dec-09	0	0.250	0.140	0.180	0.570	0	0.190	0.070	0.130	0.390	0	0
31-Dec-10	0	0.250	0.140	0.180	0.570	0	0.190	0.070	0.130	0.390	0	0
31-Dec-11	33	0.250	0.140	0.180	0.570	56	0.190	0.070	0.130	0.390	11	22
31-Dec-12	71	0.250	0.140	0.180	0.570	123	0.190	0.070	0.130	0.390	23	48
31-Dec-13	112	0.250	0.140	0.180	0.570	183	0.190	0.070	0.130	0.390	35	71
31-Dec-14	151	0.250	0.140	0.180	0.570	272	0.190	0.070	0.130	0.390	52	106
31-Dec-15	191	0.250	0.140	0.180	0.570	303	0.190	0.070	0.130	0.390	58	118
31-Dec-16	231	0.250	0.140	0.180	0.570	362	0.190	0.070	0.130	0.390	69	141
31-Dec-17	269	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-18	320	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-19	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-20	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-21	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-22	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-23	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-24	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-25	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-26	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-27	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-28	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-29	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-30	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-31	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-32	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-33	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-34	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-35	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-36	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-37	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155
31-Dec-38	371	0.250	0.140	0.180	0.570	397	0.190	0.070	0.130	0.390	75	155

MumCap, Inc.

M:\CONSULTING\Clark-Turner\TIF Application\03-12-10\Exhibit E Fiscal Impact Analysis (Proj. No. 10).xlsx\Appendix C
15-Mar-10

¹Adjusted pupil yields provided in the *School Impact Fee Report* prepared by Tischler & Associates, Inc.

²See Schedule VIII.

³Represents the elementary, middle, and high school students projected to be generated as a result of the proposed development at Beechtree Estates.

Beechtree Estates
Harford County, Maryland

Appendix D-1: Vertical Construction Jobs and Indirect Impacts

	<u>Total</u>
Single family units	371
Construction costs per single family unit ¹	\$173,600
Sub-total construction costs	\$64,405,600
Town home units	397
Construction costs per town home unit ¹	\$108,800
Sub-total construction costs	\$43,193,600
Total vertical construction costs¹	\$107,599,200
Total cost of labor ²	\$28,215,434
Average vertical construction wage -- annual ²	\$50,430
Total vertical improvement construction jobs ²	560
Multiplier for vertical construction wages ²	1.7466
Total earnings	\$49,279,800
Indirect earnings	\$21,064,366
Multiplier for vertical construction jobs ²	1.9809
Total jobs	1,108
Indirect jobs	549
Multiplier for vertical construction output ²	1.5353
Total economic output	\$165,198,975
Direct output	\$107,599,200
Indirect output	\$57,599,775

MuniCap, Inc.

ical Impact Analysis (Proj. No. 10).xls/Appendix D-1

15-Mar-10

¹Provided by Beechtree Properties, LLC.

²Construction wages, jobs, and output were calculated using IMPLAN software by MIG, Inc. The software calculates labor income and the number of jobs based on industry multipliers derived from National Income and Product Accounts data published by the U.S. Bureau of Economic Analysis. This data is then indexed to local industry data compiled by the U.S. Census Bureau. For ease of interpretation, multipliers are shown to illustrate the effects retail development within Beechtree Estates will have in Harford County, Maryland. The multiplier for construction jobs is 1.9809, meaning that for each construction job at the development, 1.9809 jobs will be created in Harford County, including the job at the new development. Similarly, the multiplier for construction wages is 1.7466, meaning that for every \$1.00 paid in construction wages at the development, \$1.7466 will be paid in Harford County, including the \$1.00 at the development. The multiplier for construction output is 1.5353, meaning that for each dollar of construction economic activity at the development, the economic activity in Harford County will be \$1.5353, including the \$1.00 at the development.

Beechtree Estates
Harford County, Maryland

Appendix D-2: Infrastructure Construction Jobs and Indirect Impacts

	<u>Total</u>
Total infrastructure construction costs ¹	\$33,850,000
Total cost of labor ²	\$14,649,317
Average infrastructure construction wage -- annual ²	\$47,905
Total infrastructure construction jobs ²	306
Multiplier for infrastructure construction wages ²	1.4705
Total earnings	\$21,542,550
Indirect earnings	\$6,893,233
Multiplier for infrastructure construction jobs ²	1.5533
Total jobs	475
Indirect jobs	169
Multiplier for infrastructure construction output ²	1.5421
Total economic output	\$52,198,431
Direct output	\$33,850,000
Indirect output	\$18,348,431

MuniCap, Inc.

cal Impact Analysis (Proj. No. 10).xls/Appendix D-2

15-Mar-10

¹Provided by Beechtree Properties, LLC. Represents total infrastructure hard costs for the proposed development.

²Construction wages, jobs, and output were calculated using IMPLAN software by MIG, Inc. Multipliers function in the same manner as with vertical construction impacts.